

IN THE MATTER OF The Public Inquiries Act, being Chapter 258 of The Revised Statutes of Alberta, 1955, and Amendments thereto; and,

IN THE MATTER OF an Inquiry by a Royal Commission into the matters set out in Order-in-Council 861/67 respecting the use or attempted use by the Honourable Alfred J. Hooke of his office as a member of the Executive Council of Alberta, and the use or attempted use by Edgar W. Hinman of his office as a member of the Executive Council of Alberta.

PROCEEDINGS BEFORE
THE HONOURABLE MR. JUSTICE
W. J. C. KIRBY

C. W. CLÉMENT, Esq., Q.C.,
S. A. FRIEDMAN, Esq., Q.C.,
S. H. McCUAIG, Esq., Q.C.
L. MAYNARD, Esq., Q.C.,
W. B. GILL, Esq., Q.C.,

G. A. C. STEER, Esq., Q.C.
D. H. BOWEN, Esq., Q.C.
N. S. CRAWFORD, Esq., and
J. D. HILL, Esq.
G. S. D. Wright, Esq.

Commission Counsel
Departments of Government
E. W. Hinman, Esq.
The Honourable Alfred J. Hooke
G. A. Turcott, Esq.
Mr. Neil Reimer
Dr. C. A. Allard
Liberal Association of Alberta
Progressive Conservative Party of
Alberta
Alberta New Democratic Party

W. ALAN SHORT, ESQ.,
Clerk to the Commission.

VOLUME No. 41

DATE November 23, 1967
(Pages 4332 - 4440)

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J. D. HILL, Esq.	Alberta
G. S. D. Wright, Esq.	Alberta New Democratic Party

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W. J. Henning - Clement Ex.

PROCEEDINGS before The Honourable
Mr. Justice W. J. C. Kirby, this
23rd day of November, A.D. 1967,
at 9:00 o'clock in the morning, at
the Court House, in the City of
Edmonton, Province of Alberta.

MR. CLEMENT: Mr. Commissioner, if it is agreeable
to you, sir, and counsel, Mr. Henning is here to give some
additional information about Doral Developments Limited.
Perhaps we could interject his evidence before Mr. Hooke's
cross-examination continues.

THE COMMISSIONER: Fine.

WILLIAM JAMES MCKAY HENNING, Esq. Q.C., sworn, examined by Mr.

Clement:

Q Mr. Henning, you are a member of the Law Society of Alberta?

A I am, sir.

Q And you practice your profession in Edmonton?

A I do, sir.

Q And have for a considerable number of years?

A That's right, sir.

Q You were so practicing in 19 -, I haven't got -

A 1957.

Q I haven't got the Exhibit before me, Mr. Henning, but I am
going to direct your attention to Doral Developments Limited,
were you solicitor for that company?

A I was, sir.

Q Did you incorporate it?

A I did.

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W. J. Henning - Clement Ex.

Q When was it incorporated?

A On, I believe May 8th of 1957. I haven't the certificate of incorporation any longer, but I do have the official receipts from the Registrar of Companies.

Q Yes, well -

A I might say I don't act for the company now.

Q We are concerned with the period from the incorporation of the company until the shares were disposed of to Dr. Allard or his interests?

A I acted for the company in that time.

Q Then could you just give us briefly the history of the incorporation, the history of the company from its incorporation, who were its incorporators according to your records, that is the substantial incorporators, not those who might have been used for the immediate purpose?

A Well, sir, my original instructions on this go back to about the first part of, the middle of April.

Q Yes?

A And when the name apparently was reserved with the Registrar of Companies at the request of Mr. Hooke.

Q Yes?

A And the company -

Q Mr. Hooke consulted you in the matter, did he?

A That's right, sir.

Q Yes?

A And the company was incorporated primarily as a holding and a development company, and was impowered -

1-B-3

W. J. Henning - Clement Ex.

MR. MAYNARD: Mr. Commissioner, just before Mr.

Henning proceeds, I wish to advise the Commission, the Inquiry that Mr. Hooke is waiving the usual privilege of solicitor client in this connection.

A The company was incorporated for the purposes of development of lands, housing, construction and trucking. I don't believe that, or at least fairly wide powers were given to the company and at the same time it was intended that the company should acquire a portion of, I guess it was a quarter section of land from one Peter Dorash. That agreement was entered into, by the way, on April 17th of 1957, and because the name of the company had been reserved, although the company had not yet been incorporated, the agreement is between Peter Dorash and Doral Developments Limited.

Q MR. CLEMENT: Yes, what is the legal description of that land?

A The South East Quarter of Section 22, Township 52, Range 23, West of the 4th Meridian. I might say in connection with the incorporation that there were two shareholders, each having a fifty percent interest, one Edward Prodor, and actually myself in trust for The Honourable Mr. Hooke.

Q Yes?

A Only one share was issued for a period of almost two years, frankly I believe because no one was quite sure just what was going to happen to the company.

Q Yes. Well, in a word, Mr. Henning, the company started out with the asset of an agreement for sale?

1-B-4

W. J. Henning - Clement Ex.

A That's right, sir.

Q And the South East Quarter of Section 22 was being purchased for the price of \$22,000.00?

A That's right, sir.

Q Can you tell me whether these monies were paid according to the tenure up to the time, up to the fall of 1959?

A Well, I have no direct knowledge of that other than the financial statement, which formed the basis of the sale in 1959, indicates that these monies were in fact paid.

Q Yes, all right. So far as you know did the company engage in any business activity from the period of its incorporation until October of 1959?

A Well, my understanding is that certain work was done by Mr. Prodor on behalf of the company and at the expense of the company, such work as subdividing a portion of the property, constructing roads, and that type of thing, but that is -

Q You are speaking of the South East of 22?

A That's right, sir.

Q That is so far as your information goes -

A That's right.

Q - as to the activities of the company?

A That's right.

Q Well then, the share interest, the beneficial interest in the shares stood half to Mr. Prodor and half to Mr. Hooke?

A That's right.

Q And I believe that the issued share capital came to be fifty shares for Mr. Prodor and fifty shares for Mr. Hooke?

1-B-5

W. J. Henning - Clement Ex.

A Not originally, sir. I believe there were, there was only one share issued to each until just shortly prior to the sale, when on the advice of the accountants additional shares were allotted to make it fifty shares to each.

Q I see, any particular reason that you know of for that addition, additional allotment?

A No, other than the accountant suggested that this should be done since it was the intention to sell shares -

Q I see.

A Rather than assets at the time of the sale to Dr. Allard.

Q Probably their thinking is as difficult for you to follow as it is for me as lawyers. However, that was done in anticipation of the sale?

A That's right, sir.

Q And then the sale came along, Mr. Prodor sold his fifty shares to Paris Investments Limited and Mr. Hooke sold his fifty shares to Dr. Charles A. Allard?

A That was really, what shall I say, a license that perhaps I used. It was really a sale in toto to Paris Investments and subsequently we were directed to make the transfers in this fashion. In other words it was one sale and it just so happened that the shares of Mr. Hooke went to Dr. Allard and the shares of Mr. Prodor went to Paris Investments Limited. It could easily have gone the other direction.

1-M-1

W. J. M. Henning - Clement Ex.

Q Well now, the agreement for sale that you are speaking of is this same one, Exhibit 357, that has been put in evidence?

A That's right, sir.

Q Did you have a hand in negotiating that?

A I prepared that agreement, sir.

Q Did you have any hand in the negotiation of it?

A Oh, no, no -- well, to this extent that I negotiated terms with Mr. Macdonald, who was acting for the purchasers -- in other words, there was an interim agreement signed through the -- the usual type of interim agreement signed through the real estate company.

Q Well, the purchase price there is shown as approximately \$22,000.00 in total, together with the assumption of some obligations.

A Yes.

Q Did you have a hand in negotiating that purchase price?

A Not in the overall purchase price. I did probably take a hand in the breakdown of the purchase price.

Q I see.

A As between purchase price for shares and the amount that was to be paid by the assumption of liabilities of the company.

Q I see. Did you have any knowledge of the values of the assets which were shown -- which are shown in the financial statement made a part of Exhibit 357? I am speaking in particular of the valuation of the southeast of 22 at \$26,141.00?

1-M-2

W. J. M. Henning - Clement Ex.

A Well, sometime prior -- I have knowledge in this respect: that Mr. Campbell, John Campbell, who was the agent on this particular sale, had been endeavouring to sell this property for some time, and his opinion was that the land was worth something in the neighborhood of \$54,000.00, and I was aware of that fact, so I suppose that is perhaps some knowledge of the value of the asset.

Q Yes. Well, the \$26,141.00 doesn't seem to bear any particular relation to the purchase price, but you say that in the interval Mr. Prodor had done some development work?

A Well, I'm not just too clear what you mean, sir. The property was bought for \$22,000.00.

Q Yes, and it is shown in the financial statement as of a value of \$26,000.00 -- .

A That is probably with interest.

Q With interest?

A They probably capitalized the interest, I would think -- I'm not just sure. \$22,000.00 was paid over a period of years, as I recall.

Q Well, there was \$6,000.00 down, and \$5,000.00 paid on May 1st, 1958, so that by ---- \$5,000.00, May, 1959 -- so that by September of 1959, if this had been paid according to this tender, there would have been only \$6,000.00 left.

A That could be, sir; I really -- .

Q So you are not -- .

A -- really didn't have anything to do with the operation of the company.

1-M-3

W. J. M. Henning - Clement Ex.
- Wright Ex.

Q In any event, you are satisfied, are you, from your file and your knowledge of the matter, that in the interval between April of 1957 and September of 1959, Mr. Prodor had done development work on this quarter?

A I am, sir; as a matter of fact, I received a statement from the auditors indicating that he had spent approximately \$6,991.00 covering survey costs, roadway and levelling -- oh, I'm sorry --- he had spent approximately \$4,000.00 for survey costs, roadway and levelling.

Q Then, you haven't any particular knowledge as to how, in fact, this valuation of twenty-six thousand odd came to be used in the statement of assets?

A No.

Q Did you have any hand in bringing the parties to the agreement together?

A Oh, none, sir.

Q None at all. Very well. Would you answer my friends, please?

THE COMMISSIONER: Mr. Gill?

MR. GILL: I have no questions, thank you.

THE COMMISSIONER: Mr. Bowen?

MR. BOWEN: No questions, sir.

MR. CRAWFORD: No questions, sir.

THE COMMISSIONER: Mr. Crawford -- Mr. Wright?

MR. WRIGHT EXAMINES WITNESS:

Q Mr. Henning, the sole asset of this company, then, was this quarter section?

A Yes, as far as I -- .

1-M-4

W. J. M. Henning - Wright Ex.

Q And in 1959 was it undeveloped farm land?

A No, not in 1959 -- well, a portion of it was --- and a portion had already been subdivided.

Q Yes. In 1957 it was undeveloped farm land?

A As far as I can recall, yes.

Q Yes; so that the value which eventually rose, according to Mr. Campbell -- his statement to you, at least, --- to \$54,000.00, would be value that would be in the greatest part be accrued through subdivision?

A Well, of course, I am not prepared to comment on that, sir.

Q Well, you are an experienced conveyancer, Mr. Henning?

A Well, the economic conditions make -- .

Q You have dealt with a large number of transfers of agricultural land in your time, of conveyancing?

A I think, sir, that is asking you to make an assumption -- asking me to make an assumption.

Q No, I'm asking you, have you not dealt with many agricultural conveyances in your time?

A Not that many.

Q I see; but you would agree that \$54,000.00 for a quarter section can only be a value that is there because of its value as small holdings, or building sites?

A No, I wouldn't say that.

Q You mean Mr. Campbell might have been stating to you the value of the place as a farm at \$54,000.00?

A He could have; I am not a farmer.

Q You didn't discuss this with Mr. Hooke at any time?

1-M-5

W. J. M. Henning - Wright Ex.

A I had absolutely no discussions with Mr. Hooke at all on this particular -- on the question of valuation. I did have some discussions with Mr. Hooke on the question of possible tax implications from the sale.

Q Yes.

A And I referred him to Mr. Bentley.

Q Yes, and these discussions were along what lines? What was the question?

A Well, I think that the question was: how could this best be handled, to --- .

Q Avoid income tax?

A Well, to obtain a capital gain.

Q Yes, to turn it into a transaction on capital gain?

A That's right.

Q Yes, because of the increase in value?

A Well, sir, I don't think the impression should be left that the increase in value as between \$22,000.00 and \$54,000.00 --- because that's not the case -- the increase in value, if you like, is -- would be actually the amount that was paid for the shares, which would be according to the agreement some \$23,000.00, out of which both parties had to pay expenses, additional expenses.

Q Yes. What, then, was the net profit?

A To whom?

Q To Doral Developments Ltd.?

A The actual net profit -- well --- and I don't like to use that terminology -- .

1-M-6

W. J. M. Henning - Wright Ex.

Q Oh, well -- .

A -- I would say this: the actual gain -- .

Q Yes?

A -- to Mr. Hooke was, after he paid all expenses, \$9,440.59.

Q Yes, and this was gain that had -- that was due to the -- obviously to the increase in value of the quarter section?

A Yes.

Q And the increase in value of the quarter section coincided -- I'm not asking you to give a cause and effect statement -- coincided, at least, with subdivision?

A Well, I don't think that is entirely true, Mr. Wright, because there was only a portion of the lands that were subdivided at this stage. There was still a portion -- .

Q All right -- coincided with the subdivision of a portion of the lands, then?

A Well --- but it was the entire quarter section that was sold.

Q Exactly, and was it expected that the rest of the quarter section could be sold also on the footing of it being small holdings?

A Well, I don't -- .

Q What was the -- ?

A All I did was handle the legal transaction and attempt to protect my client.

Q Well, you said that Mr. Campbell had given you ^{a value of} \$54,000.00?

A Yes.

Q Did he say how he arrived at that value?

A No, I can't actually recall that. All I know is that this is

1-M-7

W. J. M. Henning - Wright Ex.

A (Cont.) what he felt it was worth, and this is what he was attempting to sell it at.

Q Yes. Why was not the land sold, instead of simply -- instead of the shares in the company?

A Well, I think I will take the responsibility for that. I suggested to Mr. Hooke that there was a possibility that if the sale was made in this fashion of there being a capital gain.

Q Yes, but was the sale made of the company, then, on the footing that this was land ripe for subdivision, the whole lot?

A I can't honestly answer that question because to do so would ask me to make an assumption of what the purchaser -- .

Q No, I'm not asking for an assumption; I'm asking for -- .

A Well, I would say I don't know, then.

Q Nothing was stated about what -- as to what would be done with the land?

A Not to my -- there may have been between the parties, but not to me.

THE COMMISSIONER: Mr. Maynard?

MR. MAYNARD: No questions.

THE COMMISSIONER: Mr. Clement?

MR. CLEMENT: No, thank you, sir.

THE COMMISSIONER: Thank you, Mr. Henning.

(Witness retires.)

MR. CLEMENT: Mr. Hooke, would you return to the stand, please?

1-M-8

A. J. Hooke - Wright Ex.

ALFRED JOHN HOOKE, recalled on his former oath, examined by Mr.

Wright:

MR. CLEMENT: Mr. Hooke, you are still under oath
for this purposes of this inquiry?

A Yes.

THE COMMISSIONER: Mr. Wright?

MR. WRIGHT CONTINUES HIS EXAMINATION:

Q My learned friend Mr. Friedman has been good enough to
produce a file from the government records of this
transaction, and the Xerox copies of the relevant parts, my
Lord. These were the items that were spoken of by Mr. Wilson
when I asked him questions earlier in this inquiry, and this
is the memorandum that I referred to yesterday, and the
importance of this is that it is the first memorandum in the
file, my Lord, relating to the -- Mrs. Hooke's premises
at Rocky Mountain House, and it is dated the 15th of
January, 1940. I can show you the original, Mr. Hooke.
In it it says:

"Mr. Hooke is going to drop in to see you regarding
same", --- "same"

is outside provision of non-plumbing facilities, you will
recall. Can you remember that incident at all?

A Not specifically.

Q But you have told us you were fixing up the premises for the
lease?

A That is right.

Q Yes. Perhaps this can eventually -- this can be marked as

1-M-9

A. J. Hooke - Wright Ex.

Q (Cont.) one exhibit, my Lord, rather than just -- .

MR. MAYNARD: Mr. Commissioner, all of these documents are already entered as Exhibit 211, and this is part of Exhibit 211.

MR. WRIGHT: 211?

MR. MAYNARD: Yes.

MR. WRIGHT: No, they are not, my Lord. These are the ones that are not in 211.

MR. MAYNARD: Well, now, let's get 211.

MR. CLEMENT: Well, my Lord, my friend is putting to the witness documents which have not yet been entered.

MR. WRIGHT: Yes, they have not yet been entered in evidence, but they have all been identified by Mr. Wilson in his evidence. The originals are here.

MR. CLEMENT: This, now, is putting documents before Mr. Hooke which he is neither the sender or nor the receiver of.

MR. WRIGHT: Yes -- well, that's very common in this inquiry.

MR. CLEMENT: It is a little uncommon not to have them made exhibits beforehand.

MR. WRIGHT: Well, they've all been identified, my Lord.

MR. CLEMENT: I think perhaps, sir, there is no doubt we can take it this witness is now being examined on documents which are not exhibits and which he has nothing -- which he has had nothing to do with.

1-M-10

A. J. Hooke - Wright Ex.

MR. MAYNARD:

I don't see this document in

Exhibit 211. It was my understanding that certain documents had been produced, and I thought that these, that documents that had been produced were the documents that Mr. Wilson had extracted from the file as being the relevant documents relating to the various matters that Mr. Wright has been questioning the witness on yesterday. You will recall, Mr. Commissioner, that I objected yesterday to this entire file being produced because it gave you an undue burden and it gave all counsel an undue burden to check through a file containing hundreds of documents that had nothing to do with the inquiry at all. Now then, if we are going to review documents that Mr. Hooke has never seen, documents that have not been produced in the time that Mr. Wilson was on the stand, documents that were not brought in in evidence, well then, I don't know where we are going to get; and again I point out: I do not wish to keep anything from this inquiry, but surely these matters should have been brought to the attention of the Commission before now so that Mr. Hooke would have had an opportunity of seeing the documents that are being referred to and be able to explain them, instead of being caught right offhand, to try to answer questions on documents that he has never seen.

MR. WRIGHT:

Every single document has been

produced to this inquiry beforehand and spoken of by Mr. Wilson.

1-M-11

A. J. Hooke - Wright Ex.

MR. CLEMENT:

If you will recall, sir -- at least, it is my recollection, that at that point in time when this last bundle of documents were being produced, it was pointed out that to put in a bundle of documents without -- and asking it to be taken as an exhibit, added nothing to the inquiry. There would be papers in there with no explanation, and useless to the inquiry; and as I understood it, your ruling was that nothing would go in evidence except produced and counsel given an opportunity to examine on it. The end result was that Exhibit 211, as I understood it, gathered those together which counsel were interested in at the time, and that the rest of these documents were not made exhibits because there was no interest in them, and the ruling was that unless they were made exhibits, that counsel could have an opportunity of considering them, they would not be considered later. Now, I quite agree, sir -- .

MR. WRIGHT:

No, I can't -- .

MR. CLEMENT:

I quite agree, sir, that there are times upon which a witness may be cross-examined on documentary evidence, but the -- that involves, in my understanding, documents that the witness being cross-examined on has had something to do with. Now, what is being put to Mr. Hooke here is: what did a couple of other people do at some time or other -- and that seems to me to be going a little farther than the exigencies of the case require.

1-P-1

A. J. Hooke - Wright Ex.

THE COMMISSIONER: My understanding, perhaps the record will indicate whether my understanding is correct, but, my understanding was that it was proposed at one time to put on these files and I pointed out that I wasn't prepared to go through a Government file like that and extract relevant documents because I was just physically not capable of doing that and my understanding was that Mr. Wright was to get together with Mr. Wilson and extract from the file documents which were relevant, have then Xeroxed and they were placed in as Exhibits. Now, that is my understanding. Now, if my understanding is not correct, perhaps we had better check the record.

MR. WRIGHT: Yes. Fine, My Lord, they have been Xeroxed but they have not been placed in as Exhibits.

THE COMMISSIONER: Why were they not put in as Exhibits?

MR. WRIGHT: I don't know. My understanding was that these documents would be tabled My Lord so that they could be referred to later, perhaps I am wrong in that but certainly Exhibit 211 was Mr. Wilson's own extraction and it wasn't complete and so I looked at the file and asked him a number of extra questions and the documents he then referred to were Xeroxed and have been produced by my learned friend Mr. Friedman and every single one of them concerns this witness and it seems to me to be putting an unwarrantable restriction, if I may respectfully say so, on my cross-examination if I am not now allowed to refer to them. I am

1-P-2

A. J. Hooke - Wright Ex.

MR. WRIGHT: (Cont.) not proposing to put in the whole file.

Every single one of these documents has been referred to before and certainly I will take the witness through each one and show their relevancy.

THE COMMISSIONER: Where were the documents referred to before?

MR. WRIGHT: In Volume 11, My Lord, starting at page 1085.

THE COMMISSIONER: Could I see the transcript?

MR. WRIGHT: Yes, certainly.

THE COMMISSIONER: I wonder Mr. Clement, have you checked the transcript? It seems to me, this being part of it, Mr. Wilson was examined with respect to these particular--

MR. CLEMENT: Were you speaking to me, sir?

THE COMMISSIONER: Yes. Mr. Clement, I was just wondering if you would check. It seems to me just on a cursory examination Mr. Wilson was questioned with respect to these documents. 1086 Mr. Maynard.

MR. MAYNARD: Yes, I am looking for the reference Mr. Commissioner where it was understood that certain documents would be produced as Exhibits, instead of the whole file.

MR. WRIGHT: My Lord, may I say this, that in any case, with the greatest respect, I submit that all this discussion about whether the documents have been referred to at all before is beside the point, If the cross-examination goes directly to credibility. At page 4306 of the transcript,

1-P-3

A. J. Hooke - Wright Ex.

MR. WRIGHT: (Cont.) Mr. Clement was examining the witness.

MR. MAYNARD: Which witness?

MR. WRIGHT: This witness.

" Q You had no negotiations?

A None whatever.

Q And no dealings?

A None whatever."

This was with reference to the building marked 3 and also owned by Mrs. Hooke.

MR. CLEMENT: Mr. Commissioner, it does occur to me, the letter of course is not proved as containing matters of fact, it is merely a letter. Whether what is set out in here happened or not has not been proven. I presume Mr. Hooke can be asked whether such a matter did in fact occur in his recollection but I would doubt whether it could go beyond that because it hasn't been established that what was set out in that letter did occur. It is something from the file.

THE COMMISSIONER: Mr. Maynard?

MR. MAYNARD: Transcript, Volume 10, page 1044 and 1045 contains the reference to the discussion relating to the Government file. It is three pages in length.

THE COMMISSIONER: What volume Mr. Maynard?

MR. MAYNARD: Volume 10, pages 1044, actually the discussion starts at the bottom of page 1043. I might read it Mr. Commissioner just to refresh the memory of all counsel concerned. A question was asked by the Commissioner:

" Is this a Government File?

1-P-4

A. J. Hooke - Wright Ex.

MR. MAYNARD: (Cont.)

" A It is a Government File."

The witness was Mr. E. E. Wilson.

" Are there copies of it?

A There are only copies of those things which were considered pertinent documents."

I am reading at the top of 1044.

" Mr. Commissioner: do you want this file Mr. Wright?

MR. WRIGHT: My Lord, it could be kept here, it is an old, old file until the conclusion of the Inquiry and if nothing but the copies which are already in evidence are needed it can be returned then.

MR. MAYNARD: Mr. Commissioner, the only problem I see about submitting an entire file of this nature as an Exhibit, it forces a burden on every other counsel here to go through the file and find out what it is all about. Mr. Wright has made specific references to certain documents and I see no objection to those particular documents being submitted as Exhibits but, I suggest that to submit the entire file simply because Mr. Wright may want to refer to it later on, he has had no difficulty whatsoever in having access to any file he has asked for. If he wants to refer to the file again or if he wants any document produced then he will

1-P-5

A. J. Hooke - Wright Ex.

MR. MAYNARD: (Cont.)

" (cont.) have access to the file at anytime, to produce any document he wishes. I think it is burdening the Commission unduly with the number of Exhibits and documents that are not necessary.

THE COMMISSIONER: Mr. Clement?

MR. CLEMENT: Mr. Commissioner, there is one point which has been in my mind with respect to this general marking of files and that is this; at some stage it might be that a document will be brought out of a file so marked, upon which no examination has been made of the witness producing the file, no explanation given in testimony and then an argumentative position is taken in respect of such a document which I think is hardly a fair procedure. If counsel had had the opportunity of looking through all these files and if they require more time, then of course they should be given more time but to mark a file and then expect to be at liberty to refer to any document which has not been touched on in evidence seems to me to be carrying the matter rather far.

THE WITNESS: Mr. Commissioner, may I speak?

I am rather concerned about leaving Government files because we have had previous Inquiries where we left Government files and when we got them back,

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A. J. Hooke - Wright Ex.

MR. MAYNARD: (Cont.)

" (cont.) I am sorry to say that the files were not complete and it has caused considerable trouble to the Government because these files were left and not returned in the state when they were left.

THE COMMISSIONER: I think what we will do in this case, I will have this file tabled here and it will be available for examination by counsel during the adjournment this afternoon and if there are any specific documents in that file that he would like to have filed then we will put them in as an Exhibit.

MR. MAYNARD: Copies of them.

THE COMMISSIONER: Or, copies of them. So, we will have the file tabled on that basis for further examination by counsel.

MR. CLEMENT: Does that apply sir, if there are documents that are tendered as evidence, following this course and those documents haven't been spoken to by Mr. Wilson, perhaps counsel is entitled to have Mr. Wilson back to explain this.

THE COMMISSIONER: Well yes, certainly any document, it is an elementary Rule of Evidence, that any document going in has to be identified specifically by some witness so that the significance is on the record. So, if we find it necessary to recall Mr. Wilson why, we will call him back.

MR. GILL: Mr. Commissioner, I would

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A. J. Hooke - Wright Ex.

MR. MAYNARD: (cont.)

" MR. GILL: (cont.) like to point out what Mr. Wright adduced from the witness Mr. Wilson that certain portions of the file appear to be missing. I would like your direction sir to Mr. Wilson to search further to see if those portions can be found. There is a whole period missing.

MR. FRIEDMAN: Mr. Commissioner, I think the evidence adduced by Mr. Wilson was that there weren't any Memoranda between certain dates. I don't think Mr. Wilson has the knowledge to say whether or not there was any information missing from the file.

THE COMMISSIONER: No, I don't think we should imply anything is wrong with the file without any knowledge that there is. Have you searched the file and are you satisfied that that represents the --"

It appears sir we were going off on a tact. But, the important matter I wish to refer to is the comment by Mr. Clement at the top of page 45 and your direction sir at the bottom of page 45 that the file should be made available to counsel so that counsel might extract from the file any documents that counsel wish to have produced as Exhibits and so produce them.

MR. WRIGHT: My Lord, may I refer Your Lordship to page 1047, Your Lordship concludes by saying

1-P-8

A. J. Hooke - Wright Ex.

MR. WRIGHT: (Cont.)

" So, that file will be tabled and will be available for all counsel over this afternoon adjournment and if there are any documents you would like to have put in why you can call Mr. Wilson, have them properly identified and copies made of them."

And that was done My Lord. Those are the copies. I am asking the witness questions based on them. I submit if this is a probe I should be allowed to probe.

THE COMMISSIONER: Now, what page was it that I referred you to Mr. Clement? 1083?

MR. CLEMENT: I am sorry, I didn't follow you.

THE COMMISSIONER: I directed your attention to where Mr. Wilson was questioned about these documents, was it page 1083?

MR. GILL: 1085.

THE COMMISSIONER: Orderly, will you get me Volume 11 please?

MR. CLEMENT: Yes, I read that. Certainly it appears that Mr. Wilson was questioned on documents.

MR. WRIGHT: And identified.

MR. CLEMENT: And I think that this is one. It was not put in evidence, sir.

THE COMMISSIONER: Yes.

MR. CLEMENT: Despite what Mr. Wright has said it wasn't tendered by Mr. Wright in evidence although Mr. Wilson was examined on it. It seems now we are getting into, some-

1-P-9

A. J. Hooke - Wright Ex.

MR. CLEMENT: (Cont.) what away from what I think is the essential point. Mr. Hooke has not been a party to this document, it is res inter alia actos as far as he is concerned sir and if he is asked, I imagine he could be asked about what is in here but again I put it to you sir that this document doesn't prove the existence of any facts, he can be merely asked, did it occur.

THE COMMISSIONER: Yes, I think what you will have to do, I am satisfied now that these particular documents were identified by Mr. Wilson and to the extent that they were identified by Mr. Wilson then you may proceed in your examination but, we will deal with each document in turn to make sure that the questions that are placed with respect to this document are questions that can properly be placed to Mr. Hooke by reason of the nature of these documents.

So, we will have to proceed document by document on that basis and only the ones referred to, at this point, I am only allowing the ones that were identified by Mr. Wilson.

MR. WRIGHT: All right, the first one is the Memorandum, well, it is a letter from Mr. Umbach to Mr. Stacey of the 15th of January, 1940 referring to Mr. Hooke fixing up the premises My Lord. We can mark them separately as Exhibits My Lord. My idea was simply to put them in as Exhibits supplementary to Exhibit 211 identified by Mr. Wilson.

THE COMMISSIONER: Well, we will deal with them one at a time.

1-P-10

A. J. Hooke - Wright Ex.

MR. MAYNARD: Mr. Commissioner, in the course of your ruling I think questioning the witness on the document itself is one thing. Trying to introduce the document as an Exhibit through this witness is something else altogether.

MR. WRIGHT: I am not doing that.

MR. MAYNARD: Oh, I understood Mr. Wright you were saying you wanted this put in as a separate Exhibit.

MR. WRIGHT: Yes I do, yes.

THE COMMISSIONER: Well, we are going to deal with each document on its own merits, each one separately and we will have to see whether it is admissible or whether it isn't. Mr. Clement?

MR. CLEMENT: Mr. Commissioner in circumstances such as these I believe it would be customary to mark these merely for identification. They do not become evidence in the record but they are identified as the subject matter of the cross-examination.

MR. GILL: This My Lord might be called the outside toilet Memo and I am really at a loss to understand everyone's difficulty. It is referred to at page 1086

" Could you give Mr. Wilson the file, please. Almost
--"

THE COMMISSIONER: Yes, I am aware of that Mr. Gill.

MR. WRIGHT: Might it be marked as an Exhibit now having been identified by Mr. Wilson?

MR. BOWEN: My Lord, may I say something here?

THE COMMISSIONER: Mr. Bowen?

1-P-11

A. J. Hooke - Wright Ex.

MR. BOWEN:

I have listened with interest to the hassle in the front bench. Let us remember sir that Mr. Wilson brought a file from the Government of which he really in many, many, the majority of instances, had no personal knowledge whatsoever. He was producing memoranda, letters from other people in the Government and it was only through him as a medium that these were being introduced as Exhibits.

Now, this morning the idea that where we have had this particular document identified as being from the Government file, why it cannot be entered as an Exhibit at this point is beyond me.

THE COMMISSIONER:

Well, the point is Mr. Bowen that I am not prepared to put in a whole raft of documents just arbitrarily as an Exhibit. I am going to deal with each one of these on its own merits.

MR. BOWEN:

Well, let me say this further. Any document that was produced here and lifted out of the file and photostated, that is produced by Mr. Wilson, I submit with respect sir it can be entered as an Exhibit at this time whether it is entered through Mr. Hooke or not. I would think if it is tendered by the counsel for the N.D.P. that it should be entered and accepted.

THE COMMISSIONER:

Well, we will proceed document by document. Go ahead Mr. Wright.

MR. WRIGHT:

Yes, may I tender this one then?

THE COMMISSIONER:

Now, what are you tendering?

MR. WRIGHT:

Well, it is simply --

1-P-12

A.J. Hooke - Wright Ex.

THE COMMISSIONER: Will you identify it for the record?

MR. WRIGHT: Yes, it is a letter from Cecil B.

Umbach dated the 15th of January, 1940 to Mr. W. D. Stacey and it of course comes from the file produced by Mr. Wilson, Government file 51406 of the Public Works Department on the Treasury Office at Rocky Mountain House.

THE COMMISSIONER: Well, that document will go in as Exhibit 445 as a Xerox of the original produced from the Government file.

MR. SHORT: It will be 446.

THE COMMISSIONER: 446.

XEROX COPY OF A LETTER DATED JANUARY
15th 1940 FROM C. B. UMBACH TO W. D.
STACEY IS MARKED EXHIBIT 446.

MR. WRIGHT: Now next Mr. Hooke is a handwritten memorandum with your name at the top but this isn't your handwriting, is it?

A No sir.

Q It is a very faint copy, the original is missing from the file but it was in the original file at the point of the 22nd of February, 1940 and was so identified by Mr. Wilson and can you remember having any discussion with anyone about the particular terms of the lease that was entered into in February of 1940?

A Not apart from the fact that the price covered rent, heat, light, ...

Q Yes?

A Caretaking.

1-P-13

A. J. Hooke - Wright Ex.

Q Yes, so this breakdown here of light, heat, janitor and so on is probably a breakdown obtained from you?

A It could have been. I cannot swear to it now, sir.

Q Yes, well of course, it is a very long time ago, isn't it?

A It is.

Q Very difficult to remember that length of time back, isn't it?

A Yes, that is right.

Q Yes and then these are the monthly, these are the annual figures, would they be, light \$30.00, heat \$60.00, janitor \$180.00, add it up and then divide it by twelve at the bottom after a further addition?

2-B-1

A. J. Hooke - Wright Ex.

A The figure for janitor work I am sure is correct.

Q Yes?

A That is the only part of the building of which janitor work was supplied.

Q Yes?

A In connection with the remainder, I presume that that would be the amount allotted because as I recall it the light for some length of time was on one metre.

Q Yes?

A And there were three tenants.

Q Yes, I see. But, at any rate, this appears to be the breakdown of how the \$40.00 was arrived at, does it not, being the addition of the three sums I mentioned coming to \$270.00 plus \$240.00 being the basic rent, of \$20.00 a month I suppose?

A That is possibly true, Mr. Wright; I couldn't swear to it now.

Q Fine.

A I do know, as I say, that the work, the price for caretaking is correct.

Q Yes, fine, fine, and then the figure is totalled and divided by twelve and it comes out to forty, more or less?

A So it appears there.

Q Yes, and some notes down here, and then at the bottom your wife's name is in, Mrs. Helena A. Hooke?

A Yes.

Q And the terms of the lease, "... lease for one year subject

2-B-2

A. J. Hooke - Wright Ex.

Q (Cont.) to sixty days notice to vacate, both parties; lease to date from January 1st 1940, W.A.S."

That is what the notes say?

MR. MAYNARD: Well, Mr. Commissioner, that is what the note says, certainly he doesn't have to ask the witness whether it says that, the document speaks for itself.

MR. WRIGHT: Thank you, I am sure the witness can read and say "Yes" or "No".

MR. MAYNARD: Yes, certainly, Mr. Wright.

MR. WRIGHT: Thank you, Mr. Maynard.

A Very very faint, but that is what it looks like.

Q MR. WRIGHT: I am afraid it is faint and I would like to know where the original got to. May that be marked as the next Exhibit?

THE COMMISSIONER: Exhibit 447. Would you identify it Mr. Wright?

MR. WRIGHT: Yes, it is a memorandum which appeared when Mr. Wilson was giving evidence in Public Works file, Public Works Department file 51406 at the 22nd of February 1940 point, My Lord. It is a hand written note with the initials W. A. S. at the bottom.

THE COMMISSIONER: And dated?

MR. WRIGHT: It does not have a date, you see.

THE COMMISSIONER: I see, all right.

MR. WRIGHT: But it starts off "Mr. Hooke, south twenty feet of building ..." and it could be "Umbash", it could be, but I am guessing now.

2-B-3

A. J. Hooke - Wright Ex.

MEMORANDUM FROM PUBLIC WORKS
DEPARTMENT FILE 51406 AS
PRODUCED, MARKED EXHIBIT 447.

Q MR. WRIGHT: Next a memorandum from Mr. Stacey to you, Mr. Hooke, of the 30th November 1944:

"Attached is a copy of a letter from the Manager of the Treasury Branch at Rocky Mountain House. We hope that you will be able to have these premises cleaned up at an early date."

THE COMMISSIONER: I believe that is in Exhibit 211, Mr. Wright.

MR. WRIGHT: I was just checking to see if it was, My Lord. May I see this, please? Yes, the memorandum is there, My Lord, but not the attached letter, so that the memorandum is meaningless by itself, so that may that memorandum plus the attached letter be the next Exhibit?

THE COMMISSIONER: Will you identify them, Mr. Wright?

MR. WRIGHT: Yes, it is a, the letter which, the memorandum is the memorandum which already appears as Item 27 in Exhibit 211; the attached letter is one from Mr. Potter to the Superintendent of Treasury Branches, dated the 20th November 1944, Mr. Potter being the Manager at Rocky Mountain House.

THE COMMISSIONER: Exhibit 448.

LETTER, POTTER TO SUPERINTENDENT
OF TREASURY BRANCHES, NOVEMBER
20th 1944, AND ITEM FROM EXHIBIT
211 MARKED EXHIBIT 448.

MR. MAYNARD: Now, Mr. Commissioner, I am not quite sure, is Exhibit 448 the letter of November 20th 1944, from

2-B-4

A. J. Hooke - Wright Ex.

MR. MAYNARD: (Cont.) Mr. Potter to the Manager of the Rocky Mountain House, we have two documents and I'm not quite sure just which document is which?

THE COMMISSIONER: Well, I am asking Mr. Wright to identify them.

MR. WRIGHT: Yes, that is so, it is the letter from Mr. Potter to the Superintendent, My Lord.

Q MR. WRIGHT: And on the 1st of December 1944 Mr. Stacey evidently wrote to the Manager of the Treasury Branch at Rocky Mountain House and says that he had taken up with the owner the matter of redecorating, and he agrees to have the same done; I believe you told us yesterday that this might have been you?

A It undoubtedly must have been, Mr. Wright.

Q Yes, thank you, and that will be the next Exhibit, My Lord?

THE COMMISSIONER: Exhibit 449.

A Not as the owner but the contact.

MR. WRIGHT: I am checking that as I go along.

LETTER OF DECEMBER 1st 1944,
STACEY TO MANAGER AT ROCKY
MOUNTAIN HOUSE, MARKED EXHIBIT
449.

Q MR. WRIGHT: And then in May of 1945 we see that from Exhibit 211 that Mr. Stacey again had been speaking to you about the electric lights; I believe you went into this yesterday, is that correct?

MR. MAYNARD: What Item of Exhibit 211?

Q MR. WRIGHT: 29.

A I think so.

2-B-5

A. J. Hooke - Wright Ex.

Q Can you remember receiving that memorandum?

A I can't remember it until I see it now, sir.

Q Yes, but -

A I must have received it, certainly, it is addressed to me.

Q Yes, and you must have had this discussion, argument, call it what you will, about the electric light bill?

A Never an argument.

Q All right, negotiations then?

A Well, as I think I said yesterday, it was brought to my attention that certainly something was wrong with the electric light bill, and it appeared that it was either caused by the wiring, faulty wiring or a faulty metre, or something of that nature. I do have some recollection of that.

Q Yes, thank you. And this went on for some months, did it not? Well, perhaps it didn't go on for too long.

A If I remember I think Calgary Power got into the argument somewhere.

Q Fine. And from a memorandum of the 28th of November 1946 it does appear that it was about this date that the new premises were moved into, is that right, Mr. Hooke?

A I am not sure of it, Mr. Wright; it seemed to me, as I said yesterday, it was earlier than that, but at this date I cannot say for sure.

Q Yes. Can you remember recommending this janitor to the Department of Public Works, Mr. Titford?

A I remember, yes, I do.

2-B-6

A. J. Hooke - Wright Ex.

Q And then a memorandum, this is a memorandum, My Lord, from the Superintendent at Edmonton to the Superintendent of Buildings, Department of Public Works, dated the 28th of November 1946, in which the following sentence occurs:

"In this respect they have submitted the name of Mr.

H. C. Titford, who has been recommended by The Honourable A. J. Hooke ..."

That is the next Exhibit, My Lord?

THE COMMISSIONER: Exhibit 450.

MEMORANDUM, SUPERINTENDENT OF
TREASURY BRANCHES AT EDMONTON
TO SUPERINTENDENT OF BUILDINGS,
DEPARTMENT OF PUBLIC WORKS,
NOVEMBER 28th, 1946, MARKED
EXHIBIT 450.

Q MR. WRIGHT: Now, in whose, did you draw that sketch by any chance?

A No, I didn't.

Q You didn't. Does it fairly accurately represent the lot as it existed then?

A Is that the Imperial Bank?

Q Yes, that's what it says, and it shows the location of the premises on the back with the word "new premises" beside it?

A Yes.

Q Yes, and this also was referred to by Mr. Wilson. May this be marked as the next Exhibit?

THE COMMISSIONER: Will you identify it, please?

MR. WRIGHT: Yes, it is a sketch actually of the premises.

2-B-7

A. J. Hooke - Wright Ex.

THE COMMISSIONER: Exhibit 451.

SKETCH PLAN OF THE PREMISES
MARKED EXHIBIT 451.

A May I comment on that?

Q MR. WRIGHT: Yes, certainly.

A It seemed to me that it was this section and not this one,
that came into the premises.

Q Yes?

A I could not be positive.

Q Yes, you are saying that to your memory -

A They are equal in size but it seemed to me that the westerly
one was the Treasury Branch and not the easterly.

Q That the westerly one was the Treasury Branch and not the
easterly?

A I could be mistaken at the present time. At least it was
half.

Q Now, here is a memorandum of the 30th January 1947 from Mr.
Stacey to you saying:

"Attached is an account due W. G. Burrows for purchase
of used furnace. We rebuilt this furnace and installed
same in your building in Rocky Mountain House. You will
no doubt realize that furnaces are very difficult to
obtain and this furnace is now in very good condition
..."

and so on; can you recall receiving a bill for the recondi-
tioning of the, well, no, for a new furnace in the building?

A I have it, sir, in my office.

2-B-8

A. J. Hooke - Wright Ex.

Q You have the bill?

A Yes.

Q The next Exhibit, sir?

THE COMMISSIONER: It is already referred to I believe
in Exhibit 211.

MR. WRIGHT: I beg your pardon?

THE COMMISSIONER: It is already in in Exhibit 211.

MR. WRIGHT: Oh, I beg your pardon, yes, it is.

MR. MAYNARD: Item number?

Q MR. WRIGHT: 35. And again this is in Exhibit 211,
My Lord, you were billed on the 17th of March 1947 with a
bill for \$850.00 for labour and materials supplied?

MR. MAYNARD: Item number?

Q MR. WRIGHT: 36. By Mr. Stacey, do you remember
that?

A Not until I see this, sir.

Q Yes, now you can remember it though?

A Well, this is twenty years ago.

Q Oh, yes.

A It must be correct.

Q Yes, and you questioned it, did you?

A Not that I can recall.

Q We see that it was questioned, but you cannot recall in what
way it was questioned?

A No, I can't.

Q And it was in fact correct and Mr. Arnold writes to you to
say so, does he not, on the 25th of July 1947, Item 38 in

2-B-9

A. J. Hooke - Wright Ex.

Q (Cont.) Exhibit 211?

A Yes, that is what the memorandum says all right.

Q Yes. On the 19th of February 1948 we find a memorandum from the Superintendent of Buildings, Item 42 in Exhibit 211, My Lord, of the Public Works Department to Mr. Lewis, saying that Mr. Hooke's solicitors had written Mr. Lewis direct in the matter; and at this time you will recall the premises were being sold to Mr. Lewis or by Mr. Lewis?

A To.

Q To Mr. Lewis by who?

A My wife.

Q Yes, and who, were your wife's solicitors and yours the same?

A Oh, I would say so, yes.

Q Well, Mr. Hooke, all we are really getting at is the point that after refreshing your memory it now appears you had a lot more to do with that place than you now remember, would this be true?

A Well, not any more than a husband/wife relationship I suppose, which is common.

Q Yes?

A And I have more recollection of these memorandum now that you have pointed them out, these memoranda now that you have pointed them out.

Q Yes, but more than that, you have more memory of being quite closely connected with the place, eh?

A When you mention "closely connected", so many of these

2-B-10

A. J. Hooke - Wright Ex.

A (Cont.) memoranda date from 1941 on, in which case I was living in Edmonton and working full time, and even more than that perhaps.

Q Yes?

A So that I was not as closely connected to it as all that. I didn't go to Rocky Mountain House very often.

Q Yes, but we have seen memoranda in which it appears the lease has been discussed with you, correct, and you have admitted -

A If you would infer that from the memoranda.

Q And you admitted it may have been, even the original one?

A I would say there that to the best of my memory I discussed it with my wife rather than with officials of the Treasury Branch or Public Works Department.

Q Yes, well, I think you told us something else a little while back, that you may have discussed it with Mr. Stacey at the time that memorandum was drawn up?

A Well, I certainly can't remember it at the moment, Mr. Wright, it is so long ago that -

Q Yes, and you certainly can't deny it either?

A I would not try to deny it, sir, when I can't recall it for sure.

Q Yes, well, that is fair, and you can't now remember subsequent negotiations about renewals of the lease or a new lease?

A No, I don't, off hand.

Q Yes. Again, this may have occurred?

2-B-11

A. J. Hooke - Wright Ex.

A I suppose that it may have.

Q Yes, and there is no doubt from the correspondence, would you say, Mr. Hooke, that Mr. Stacey and the others regarded the building as at least under your control and custody?

A Well, they did know that from time to time I did my own work on that building.

Q Yes, yes, but they even fell into the error of referring to you as the "owner", it would appear?

A I would say so, yes.

Q And are you saying you did nothing to encourage that error or did nothing that might suggest to them you were the owner?

A No, I took it to be the ordinary relationship that exists between a husband and wife in a case like this.

Q Well, now that your memory has been refreshed, Mr. Hooke, you cannot really say that you had nothing to do with the lease, can you?

A Well, I cannot say any more than I have said before, sir.

Q Yes, but you swore that you had had nothing to do with that lease, didn't you, yesterday?

A I said that the actual discussion took place in Rocky Mountain House and I was not present, but I had talked to my wife about it.

Q I see, and as the, are you saying that as the agent for the wife, for your wife, you then settled the actual details, the breakdown of the rent, and so on, with Mr. Stacey?

MR. MAYNARD: That is not what the witness said,
Mr. Commissioner.

2-B-12

A. J. Hooke - Wright Ex.

MR. WRIGHT: I am asking him.

MR. MAYNARD: That is not what the witness said,
Mr. Wright. Don't put words in his mouth.

MR. WRIGHT: I didn't say that he said that, I am
asking him whether he is now saying that.

THE COMMISSIONER: What is the question?

MR. WRIGHT: Read it back, please.

THE REPORTER: (By reading)

"I see, and as the, are you saying that as the agent
for the wife, for your wife, you then settled the
actual details, the breakdown of the rent, and so on,
with Mr. Stacey?"

THE COMMISSIONER: He didn't say that, Mr. Wright.

MR. WRIGHT: No, he didn't say that.

THE COMMISSIONER: You are putting words in his mouth.

MR. WRIGHT: Well, if it implies that I am putting
words into his mouth I withdraw it.

THE COMMISSIONER: You must be very careful not to put
words in a witness' mouth, Mr. Wright.

MR. WRIGHT: Yes, yes.

Q MR. WRIGHT: But it is plain that that discussion
Mr. Stacey had was not had out at Rocky Mountain House, was
it, Mr. Hooke?

A The discussion which Mr. Stacey had with Mrs. Hooke was at
Rocky Mountain House, sir.

Q Yes, it is plain that those notes are not the notes that he
took at that interview though, would you agree?

2-B-13

A. J. Hooke - Wright Ex.

A I don't know that.

Q Yes, why do you think it would have your name at the top, if it was?

A Well, I didn't put it there, sir, so that I can't say.

Q I see, yes, yes. But the details, Mr. Hooke, of that lease, many of them, were they not, were discussed by you with Mr. Stacey?

2-M-1

A. J. Hooke - Wright Ex.

MR. MAYNARD: Now, Mr. Commissioner, I think there are two or three leases referred to, and I think Mr. Wright should specify what particular lease he is referring to now.

MR. WRIGHT: I am talking about the original lease which we have notes of but which is not in evidence.

A Mr. Wright, I did not discuss the terms of the lease with anyone other than my good wife.

Q So you are asking us to believe that those notes of Mr. Stacey's in the file were not taken after a conversation with you?

A Sir, I can't account for any notes that Mr. Stacey wrote or anyone else has written.

Q Well, if you had no conversation with Mr. Stacey about the details of the lease, Mr. Hooke, then those notes cannot refer to such a conversation, can they?

MR. MAYNARD: Mr. Commissioner, I would like the witness -- Mr. Wright to produce the notes that he is referring to, because the first document that has been referred to this morning is a document dated January 15th, 1940. If there are any notes beyond this, I would like to know what they are.

MR. WRIGHT: I'm talking about Exhibit 447. I would appreciate not being interrupted.

MR. MAYNARD: Well, I don't want to interrupt my good friend, Mr. Commissioner, as long as he stays on the right track I will certainly not interrupt him.

Q MR. WRIGHT: Are you asking us to believe then, sir -- Mr. Hooke -- that those notes, Exhibit 447 cannot

2-M-2

A. J. Hooke - Wright Ex.

Q (Cont.) refer to a conversation between you and Mr. Stacey, because there was no such conversation?

A I can certainly recall no such conversation.

Q Yes -- well, exactly, that's very fair; so it might have referred to a conversation between you and Mr. Stacey, then?

A It would have been very casual if it were, sir.

Q Yes, so that -- and if there was --- if there were such a conversation you say it would have been as agent for your wife?

A No, I never was agent for my wife.

Q And in so far as the building No. 3 is concerned -- we are talking, in the case of No. 3, about the building at the back of the lot, are we not?

A Yes.

Q Yes, and it is plain from the correspondence we have now seen that you did have something to do with the maintenance of that?

A I'm not sure about that one.

Q Well, that --- what is -- you were sure about that one -- you were sure yesterday, weren't you, Mr. Hooke?

A I don't think so.

Q You were asked a question at page 4307, my Lord ---

"Is it fair to say, then, Mr. Hooke, that after the lease Exhibit 114 came to an end as exhibited by" -- sorry --- "came to an end as indicated by Exhibit 113, the Treasury Branch moved into building No. 3 as shown on this exhibit, and you had nothing to do with

2-M-3

A. J. Hooke - Wright Ex.

Q (Cont.) maintenance or upkeep or anything of that sort?

A None whatever."

Do you recall that question and answer?

A I think this is about the place we are speaking of --- the caretaker and the recommendation of Mr. Titrich (phonetic).

Q You didn't say that yesterday, did you, Mr. Hooke? And, at page 4321, in response to my question, you were asked by me:

"Q When then did you take a hand in matters?

A I did not ever take a hand in matters."

Do you still stand by that answer?

A As I said before, I was here in Edmonton most of the time.

Q Do you still stand by that answer, Mr. Hooke -- that is my question?

A May I explain a little?

THE COMMISSIONER: He is entitled to answer it in his way, Mr. Wright.

MR. WRIGHT: Very well, my Lord.

A As I started saying, I was in Edmonton most of the time during this time that -- of which you speak. I depended considerably, as my wife did, upon Mr. Lewis, who is a friend of ours, to keep us -- to keep his eye on things down there for us.

Q I see; so it was -- and Mr. Lewis is the one that bought the building?

A That is right.

Q So the building was sold, then, to a friend of yours --- obviously -- at a --- did we gather a \$11,000.00 profit to

2-M-4

A. J. Hooke - Wright Ex.

Q (Cont.) your wife?

MR. CLEMENT: No, the documents don't show that.

Q MR. WRIGHT: Well, it was --- it was sold for \$12,000.00 to Mr. Lewis, wasn't it, Mr. Hooke?

A I think that's right.

Q Exhibit 210, and it was bought for \$1,000.00 by your wife, Exhibit 208; that is so?

A We are not talking about the same buildings at all.

Q Well, we are talking about the same land, aren't we?

A Yes, the same land.

Q And how many improvements were put on in the meantime?

MR. CLEMENT: Well, the affidavit of transfer shows that.

MR. MAYNARD: Mr. Commissioner, there is a document relating to this transaction; surely the witness is entitled to see the transaction -- .

MR. WRIGHT: Of course he is, of course he is.

MR. MAYNARD: To refresh his memory.

MR. WRIGHT: Of course he is. There it is.

The improvements -- to assist you in reading this -- are shown as totalling \$8,725.00.

A At what time?

Q That is, during the course of the transfer, and they --- the improvements upon the land at the date that Mrs. Hooke purchased them, are sworn to as having had a fair value of \$1,600.00. Do you agree with that?

A At the time of purchase the improvements were \$1,600?

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A. J. Hooke - Wright Ex.

Q That's what she says, yes.

A And at the time of sale the improvements were \$8,725.00; is that what you say?

Q No, no, at the time of sale she had, since the time of purchase, purchased -- put on improvements to the value of \$8,725.00, is what she says. Would you agree with that?

A Yes sir.

Q You have no idea how it came about that she paid \$1,000.00 for improvements that --- for land on which there were improvements of a value of \$1,600.00, do you, Mr. Hooke?

A I know how the improvements came about, yes.

Q I'm not talking about the improvements that came about after she purchased; I'm just wondering how it could be that Mrs. Hooke purchased property for \$1,000.00, upon she swears there were improvements worth \$1,600.00.

A Does that say a cash payment of \$1,000.00?

Q No, the original value is shown as \$2,000.00, so -- .

A That was the value placed upon the house which she exchanged.

Q Yes, I see; now, to get back to the question we were dealing with, Mr. Hooke, which we were trying to answer, as to whether you still stay with that answer that you gave yesterday --

A Mr. Wright, I'm trying to be completely factual and as honest as I can be within the memory that I have of these things.

Q Yes, yes; and your memory yesterday was that you had had nothing whatever to do with the lease Exhibit --- nothing to do with maintenance and upkeep and this sort of thing with

2-M-6

A. J. Hooke - Wright Ex.

Q (Cont.) the building at the back of your wife's lot?

A I believe that was on a second lease, was it not?

Q Yes, after the lease Exhibit 114 came to an end, yes, as indicated in Exhibit 113 ---.

MR. CLEMENT: Well -- .

Q MR. WRIGHT: And that came to an end, evidently, in 1942.

MR. CLEMENT: Well, Mr. Commissioner, the considerable number of documents that Mr. Wright put in, including Exhibit 211, show that, I think, without any doubt, that that cancellation in Exhibit 113, at termination of Exhibit 113, was followed by a letter of cancellation of the termination, and it appears that the lease Exhibit 114 must have carried on for its full term.

MR. WRIGHT: Yes. Which was -- ?

MR. CLEMENT: Three years.

MR. WRIGHT: Three years, from 1940?

MR. CLEMENT: 1942.

THE COMMISSIONER: '42.

MR. MAYNARD: '42.

THE COMMISSIONER: The 2nd of January, 1942.

Q MR. WRIGHT: Yes, that's fine -- so that would come up in 1945. I am talking about the memoranda in 1946 and '47, Mr. Hooke. Your memory has been refreshed now, has it not?

A It has been completely confused now.

Q Yes, exactly, because it was a surprise to you, was it not,

2-M-7

A. J. Hooke - Wright Ex.
- Maynard Ex.

Q (Cont.) that you had in fact paid this close attention to this building at the time?

A No sir.

Q Well, if it was no surprise, then, why did you give that answer to my learned friend yesterday?

A I gave the answer which I thought was a completely honest answer.

Q Yes. But now it turns out that your memory was not quite so good as you thought?

A You are asking me to remember a tremendous amount of detail, which I doubt very much if any ordinary individual can remember, going back all that time.

Q That is so; so it was unwise of you, was it not, to make the answer: "none whatever," when asked that question by my learned friend, wasn't it? Because you can't remember, can you?

A That's exactly what I believe.

THE COMMISSIONER: Mr. Maynard?

MR. MAYNARD EXAMINES WITNESS:

Q Mr. Hooke, when you state that you had nothing to do with the original lease of 1940, you were referring, of course, to the actual transaction that took place between the officials of the department and Mrs. Hooke in Rocky Mountain House, when the details of the lease were being negotiated?

A That's right, Mr. Maynard.

Q Because I think you said that before this was done you had already discussed with Mr. Aberhart, the then Premier, and Mr.

2-M-8

A. J. Hooke - Maynard Ex.

Q (Cont.) Henwood, the deputy Attorney General, the propriety of the government leasing a building from your wife?

A That is right.

Q And as a result of those discussions, it was indicated there was nothing wrong, and so the discussions -- the actual negotiations for the transaction took place in Rocky Mountain -- following, in Rocky Mountain House?

A That is right.

Q And at that time you were in the City of Edmonton?

A The particular day that Mr. Olive and Mr. Stacey were in Rocky Mountain House, I was leaving town before they were, to come to Edmonton.

Q You did not see them in Rocky Mountain House -- or did you see the departmental officials in Rocky Mountain House concerning the lease?

A I think I saw them, Mr. Maynard, as they pulled in to the hotel, but I had no discussions with them.

Q And then you left?

A Yes.

Q Now, Mr. Hooke, about the period of 1940 to 1947, there were half a dozen documents referred to and presented as exhibits this morning, which indicate that you had some contact with somebody in the department -- over some of the matters relating to the properties in Rocky Mountain House.

A Yes, that is correct.

Q What my friend Mr. Wright was trying to get at was that this was a considerable amount of contact. Was it in fact a

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A. J. Hooke - Maynard Ex.

Q (Cont.) considerable amount of contact or some slight contact that was incidental?

A I would say slight when one considers the few memoranda and the number of years.

Q Mr. Hooke, could I ask you about this matter of the Treasury Branch lease in Rocky Mountain House -- could I ask you if this matter of the Treasury Branch lease in Rocky Mountain House was ever discussed in the Provincial Legislature?

A Three times, to my knowledge, sir.

Q Would you recall when?

A The first time was when as a member of the Social Credit Board I gave a report to the House on the activities of board members -- pointed out what premises were being purchased, what premises were being leased, the owners, the rents paid --- as a matter of giving full information to the Legislature at that time.

Q And the property in the name of Mrs. Hooke in Rocky Mountain House was also produced at that time?

A In detail.

Q That was the first occasion?

A Yes.

Q When was the second occasion?

A The second occasion, as I recall it-- .

MR. CRAWFORD: What was the year?

Q MR. MAYNARD: Oh, I'm sorry: what was the year of this first occasion, then? You were with the Social Credit Board at that time?

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A. J. Hooke - Maynard Ex.

A Yes, I was.

Q And you were with the Social Credit Board until you became a minister in May or June 1st of 1943?

A That's right.

Q Can you, in relation to this, give us an indication as to the approximate time or year that this report was given to the Legislature?

A Well, Mr. Maynard, I gave a report every year to the Legislature on the activities of the Social Credit Board.

Q But I am referring specifically to the report that you gave relating to the Treasury Branches that were in operation, and the report that contained Mrs. Hooke's name as being the owner and the lessor of the Rocky Mountain House Treasury Branch.

A This would be in at the very first session following the signing of the lease.

Q That would be in 1941?

A I would take it so.

Q Fine. Now, the second occasion, Mr. Hooke -- ?

A The second time a discussion took place, as I recall it, took place on -- during estimates when the Social Credit Board vote was always good for a two or three-day debate, and the Honourable Mr. Fallow at that time explained in detail the various properties, the owners, and the rents.

Q Why would Mr. Fallow give this explanation to the Legislature?

A As Minister of Public Works, he was asked in great detail concerning this particular vote.

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A. J. Hooke - Maynard Ex.

Q Including the particulars concerning the lease from Mrs. Hooke to the government for the Rocky Mountain House Treasury Branch?

A Yes sir.

Q And this would be again when you were with the Social Credit Board?

A That's right.

Q And before you became minister?

A That's right.

Q Between '41 and '43. When was the third occasion?

A The next one took place after Mr. Prowse became a member of the Legislature representing the Armed Forces, and it came about as a result of his having noticed in the public accounts a reference to rents being paid to Mrs. Helena A. Hooke. Again it was given in all detail.

Q As a result of questions asked by Mr. Prowse?

A Yes.

Q And do you recall approximately the year when this took place? You were a cabinet minister at this time?

A I was a minister by that time, yes.

Q And do you recall when this discussion took place?

A I should think about the 1946 Session.

Q You could be wrong one way or the other?

A I could be, yes --- not remembering for sure when Mr. Prowse was elected.

Q That's fine. Now, in 1956 there was a Royal Commission set up, Mr. Hooke, to investigate certain allegations of

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A. J. Hooke - Maynard Ex.
- Clement Ex.

Q (Cont.) impropriety in connection with the government and various government ministers. Was this matter of the Rocky Mountain House Treasury Branch investigated by the Royal Commission of 1956?

A No, it was not, Mr. Maynard.

Q Could you tell us why it was not?

A Well, 1952 -- from 1952 until 1955 I was the Minister of Public Works, and when it came to bringing about an investigation, certain members of the opposition, including Mr. Prowse, were asked for -- were asking for a list of properties they wished to investigate, and I suggested at that time -- or asked him at that time did he wish to include the Rocky Mountain House Treasury Branch, and he said no, that has been hashed over enough.

Q And it was therefore at Mr. Prowse's own request that this matter was not submitted to the Royal Commission of 1956?

A As I remember it, yes.

Q Thank you, Mr. Hooke. That's all, Mr. Commissioner.

THE COMMISSIONER: Mr. Clement?

MR. CLEMENT EXAMINES WITNESS:

Q Mr. Hooke, I'm afraid I must share your confusion about some aspects of this matter, and I would just like to make sure that my understanding is correct. The Treasury Branch first occupied the building shown on Exhibit 445 as TB2 -- or a portion of it, I should say; is that correct?

A May I repeat, firstly, I believe, Mr. Clement, that the first Treasury Branch was about a block up this way on this

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A. J. Hooke - Clement Ex.

A (Cont.) picture.

Q Well, I am really speaking of the -- .

A The first one leased by Mrs. Hooke?

Q Yes.

A Was this one.

Q Marked TB2 on the exhibit?

A That's right.

Q And from there it moved to a building marked TB3?

A That's right -- in other words, a half of this new building.

Q A half of the building marked TB3?

A Yes.

Q And when did the Treasury Branch cease to occupy any premises in which Mrs. Hooke had an interest, so far as your recollection goes?

A As far as I can recall, it would be shortly after Mr. Lewis purchased the property.

Q That would be in 1947?

A Yes.

Q Now, we have in exhibit a lease of February 2nd, 1942, which had a term of three years, and apparently that ran out its term, which would bring us to February of 1945, and apparently --- and that was at a rent of \$40.00 monthly. Now, that lease, then, of February, 1942, which building did the Treasury Branch hold under that lease?

A I think perhaps --- to begin with -- it was this one, and then transferred, I should think, to that one.

Q Well, TB2, the original lease was for one year, and

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A. J. Hooke - Clement Ex.

Q (Cont.) apparently there was an overholding for a second year. Now, the difficulty that we are faced with here, is that these leases are of lots 39 and 40, and on the face of them don't show that they are really only a portion of the land, although in fact they were for only a portion of the land?

A That is right.

Q So, all I'm trying to do is make certain that I understand the situation about the leasing, and when --- at what period of time changes probably occurred; so we start out in 1940 with the one-year lease in respect of the portion of Tr.Br.2, and that lease apparently --- a lease and an overholding apparently continued for two years; and then the lease Exhibit 214 --- the lease of February, 1942, was entered into. Now, so far as you know, did the Treasury Branch move from Tr.Br.2 to Tr.Br.3 before February of 1942 or after?

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A. J. Hooke - Clement Ex.

A It must have been after Mr. Clement.

Q It must have been after?

A Yes.

Q So then it would be for a period of time after February of 1942 that the Treasury Branch occupied Tr. Br. 3?

A I would think so.

Q Yes, and that would be under the lease of February 2nd, 1942 and, as I recall the terms of the lease, if anyone can find the Exhibit?

MR. MAYNARD: 114.

Q MR. CLEMENT: 114, the rental there was \$40.00 monthly?

A That is right.

Q Now item 41 of Exhibit 211 is a letter dated February 13th, 1948, written to Mrs. Hooke, the relevant part is this:

"We do not appear to have had any advice from you in regard to this building being sold to Mr. Lewis and also note he mentioned the rent of \$45.00 per month from November 1st. Our agreement with you is for \$35.00 per month for a period of three years from December 1st, 1946."

So, the only documentary evidence we have before us Mr. Hooke is the lease of February 2nd, 1942 which apparently ran its three year term and there was obviously, there must have been an over-holding for another period of time?

A There must have been.

Q Then there is the evidence of the existence of a lease dated

2-P-2

A. J. Hooke - Clement Ex.

Q (Cont.) December 1st, 1946 at \$5.00 less rent per month.
Do you know anything about the negotiations resulting in
this lease?

A No.

Q Commencing December 1st, '46 for a lower rental?

A No I can't recall it Mr. Clement.

Q Not at all?

A No.

Q That is all the questions I have on that.

Now Mr. Commissioner, that is all the questions I have
for Mr. Hooke and I understand it completes his examination
in respect to the Rocky Mountain House lease. I will then
turn to another topic, if you wish to proceed immediately
with Mr. Hooke, on another subject.

Mr. Hooke, I am now going to direct your attention to
some aspects of transactions involving Ideal Homes and the
City of Edmonton with which you appear to have been concerned
over a period of time. There is one matter leading into that
which involves the original purchase of property in the
Capilano district evidenced by transfer of this property
executed by English interests.

If I could have the Exhibits, transfers of the Capilano
property.

Q MR. CLEMENT: I am showing you Exhibit number 67
which is a Transfer of Land, Cranstoun and others to yourself
of Block 5 Capilano and Lots -- Block 5, to be exact, Block

2-P-3

A. J. Hooke - Clement Ex.

Q (Cont.) 5 Plan 1562 and Lots 29 and 30 in Block 9 and Lots 9 and 10 in Block 8, Plan 1562AM, for the sum of \$1,500.00 and this transfer is dated the 7th day of March, 1953.

Now sir, in what year did you negotiate for the purchase of that land from the Cranston interests?

A To the best of my recollection Mr. Clement, about the end of 1948 or early 1949.

Q And how did you come to negotiate with them?

A I was in England in 1947 endeavouring to secure premises in which we could establish a house for the Province of Alberta, namely, Alberta House.

Q Then in 1947 you were there on Official Government business?

A That is right. I left here as I recall it on the 14th of December and returned approximately the 17th or 18th of March, somewhere in there.

During the time I was there I became acquainted with the...

Q I am sorry, when did you say you left Edmonton for England?

A December 14th, 1947.

Q And returned in March of '48?

A Yes.

Q Yes, then would you proceed?

A During my stay in England I met, amongst other people, the Secretary of the British Commonwealth Parliamentary Association, a Major Lockhart. I became quite well acquainted with him in that I was invited to speak to members

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A. J. Hooke - Clement Ex.

A (Cont.) of the British House of Commons. We came to know each other quite well by the time I left for home.

He informed me by letter, not too long after I returned, I think possibly it was in the beginning of '49. I think I have said late '48 or early '49, that he was the Executor of an estate and that part of the property in this estate seemed to be located in or near the City of Edmonton. He had only fragmented knowledge of the legal description. He asked me if I could secure full legal description for him and told me that some one had written from Canada offering \$1,000.00 for the property.

It took a long time to find out what the proper legal description was. I contacted for him the City of Edmonton officials, several of them as a matter of fact, officials at the Land Titles Office, did everything that I could think of to endeavour to assist him. It was finally suggested to me that this land in all probability lay in the northeasterly part of Edmonton outside of the City entirely and within the boundaries of Strathcona municipality.

MR. MAYNARD: Southeasterly.

A No, northeast.

MR. MAYNARD: Northeast?

A Yes.

MR. MAYNARD: Excuse me.

A After some contact with Mr. Roberts, I believe his name was, secretary at the time, he gave me information which led me to write to a firm in Regina, which firm it appeared had been

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A. J. Hooke - Clement Ex.

A (Cont.) associated with this land and from them I secured what appeared to be the complete legal description of the property.

I inquired from Strathcona as to what the value of the lots in that area was at the time and I was informed that lots had been exchanged there, just about that time, for anywhere from ten to twenty-five dollars apiece. They were without service and they could not be developed owing to the fact that the area was all undermined and the Research Council had not, up to this point, given any indication as to when the property could be used.

I asked Mr. Roberts whether or not the thirty-four lots as then existed, whether or not \$1,000.00 was a good price for them. He informed me on the basis of what they had been selling for it was a very good price. I passed this information on to Major Lockhart. A day or two later, in thinking about this and recalling that I had left in England some money which I had taken with me for my expenses, which amounted to about £500 in English money, \$1,500.00 to me. I felt that I would rather have a piece of land in Edmonton than devaluating pounds in England so I wrote again and suggested that I would be prepared, if it could be done, to offer the £500 for the same land. I had not seen the land and in fact did not ever see the land until two years ago.

Q MR. CLEMENT: Yes. Perhaps at this point Mr. Hooke we might just consider the matter of your five hundred pounds left over, so to speak. This related to your trip to

2-P-6

A. J. Hooke - Clement Ex.

Q (Cont.) England from December of '47 to March of '48, is that correct?

A Yes.

Q And how was that trip financed then, I mean your expenses, of course?

A Leaving Canada at that particular time Mr. Clement and going to England was something that too many people weren't doing. Conditions in England, as we know, were very austere at that time. I had no idea what I would face in connection with expenses and so borrowed, I believe it was \$2,500.00 from the Imperial Bank.

Q Well, what I am curious about Mr. Hooke is this, since it was an official trip, did you not draw expense money for the trip before you went?

A Oh no Mr. Clement, I did not.

Q None whatsoever?

A Not that I can recall, at all.

Q I see, you went on official Government business at your own expense then initially?

A Other than the fact the fare there and back were paid ahead of time by the Government.

Q I see, air transportation?

A No, boat.

Q Boat and rail or boat and air?

A No, boat and rail. It so happened that I came back by air but, that is another part of the story.

Q Yes. Well, in any event then, I am understanding this

2-P-7

A. J. Hooke - Clement Ex.

Q (cont.) correctly, am I, that when you departed for England in December of 1947, your transportation had been defrayed by the Government but as for your expenses of living and the like over there, you provided your own money for that in the first instance?

A That is right.

Q And did you recoup that expense eventually?

A After I got back.

Q You made an accounting to the Treasury?

A In the regular way, allowed so much per day.

Q I see. I am showing you Exhibit 438, I take it that your accounting would necessarily be for a period of a year ending March 31st, 1948?

A I would say so, yes. I returned the middle of March.

Q And I suppose it would depend on when your account was put in. In any event, for the fiscal year of the Government ending 1948 there is shown travelling expenses of \$1,517.00 and for the fiscal year ending March 31st, 1949 there is shown travelling expenses of \$2,576.30. Can you tell me whether the living expenses and the like that you incurred on that trip are in either one of those years?

A They must be in one or the other Mr. Clement.

Q You don't recall?

A This is the first time I have seen the compilation of these figures. Are they taken from public accounts?

Q They are courtesy of Mr. Huckvale sir and they bear his signature as certified correct. Yes, to answer your question

2-P-8

A. J. Hooke - Clement Ex.

Q (Cont.) directly, they are taken from the public accounts for the years in question.

A Without knowing I should think it would be the larger figure of the two. In other words, 1949 but, I don't know that.

Q Yes, very well, in any event, what is the basis of your recoupment of expenses when on a trip, what do you get paid for it when you put in your bill?

A For instance, if we are travelling, let us say today.

Q Well now, let us try to say in 1947 and '48?

A That is right but I can tell you better how it is done today.

Q Very well?

A It was always done the same way but I can't recall what the figures were actually in that day.

Q Very well?

A Today, for instance if we are travelling within the Province we are entitled to \$14.00 a day to cover hotels, meals and so on.

Q That is all, is it?

A Yes.

Q \$14.00 a day covers everything?

A Yes, that is right, it is supposed to.

Q Well I mean so far as a Government allowance is concerned?

A Yes if we are outside the Province I believe the figure is still twenty, it has been a long time since I have actually been outside of the Province and there has been some adjustments but, the last time I was out of the Province it was \$20.00 a day to cover hotel and meals and so on.

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A. J. Hooke - Clement Ex.

Q And outside the Province, do you mean outside the Province, anywhere outside the Province?

A No I mean outside the Province but inside of Canada.

Q Oh yes?

A So far as England is concerned, we have had very little travelling in England from, I think the last man to go there was the Honourable Mr. Tanner, about 1938. I believe then it was a matter of ...

MR. GILL: 1938?

A Yes. I believe then it was a matter of simply keeping track of one's expenses as nearly as you possibly could in submitting the bill.

Q MR. CLEMENT: And did that exist also in 1947 and 1948 that you kept track of what your expenses were?

A To the best of my recollection Mr. Clement that would be right.

Q So then you made provision for meeting your expenses in the first instance out of your own monies by borrowing, as you recall, a sum of \$2,500.00 from the bank?

A That is right.

Q And you took that sum with you, I suppose necessarily converted pounds?

A I think I took more than that with me but certainly I borrowed that much.

Q Oh, I see what you mean and it was converted to English money I presume either at the time of purchase or at the time you got there?

2-P-10

A. J. Hooke - Clement Ex.

A I think when I got there.

Q And deposited to an account?

A At least I would deposit my money there and as I write a cheque I would draw it out in pounds naturally.

Q Then you had this sum of money at your disposal, all of it being your own money?

A Yes.

Q And out of that you expended what you required for your expenses?

A That is right.

Q And as I understand from what you have said that left something over?

A Yes.

Q And your recollection is £300?

MR. MAYNARD: Five hundred.

A Approximately £500 I believe.

Q MR. CLEMENT: Yes I am sorry, £500 which at the taken rate of conversion would be in the order of \$1,500.00?

A Roughly speaking.

MR. WRIGHT: Not in '48.

MR. GILL: The pound wasn't devalued until 1949.

MR. CLEMENT: I have some financial assistance here.

THE COMMISSIONER: Well, I don't think you should get into an argument as to the value of the pound.

2-P-11

A. J. Hooke - Clement Ex.

MR. CLEMENT:

Oh I don't think it amounts to --

I don't know what effect it has but my friends tell me that the pound maintained itself at around \$5.00 until 1949 when it was devalued?

A No, they are mistaken, I am sure.

MR. WRIGHT:

It was devalued in 1949 My Lord to about \$3.00.

Q

MR. CLEMENT: Well, the suggestion is and, I am always grateful sir for assistance in these financial matters but, the pound had been worth about \$4.00 and slipped a dollar in 1949 and indeed it slipped lately too.

A

I remember some Americans I met over there who claimed they bought theirs for \$2.80. Of course, we didn't get them for anything like that but, that's the story they told.

Q

Even in 1948?

A

Right after the War, '47.

Q

Very well then, when you returned from your trip you made an accounting of your expenses on an actual outlay basis to the Government and I suppose those vouchers are examined by the Provincial Auditor or his staff?

A

Very, very definitely, Mr. Clement.

Q

And you got what was coming to you and so you had some money left over and you say that converted into Canadian dollars it was in the order of \$1,500.00?

A

As nearly as I can remember, somewhere in there.

Q

All right now, we have reached that point and then about what time, about what year was it that you made this proposal

2-P-12

A. J. Hooke - Clement Ex.

Q (Cont.) to invest that \$1,500.00 in the Capilano land?

A It would be late in '49 I presume, well, in '49 or early '50.

Q Yes I see, and the end result of that an agreement was reached, was it?

A Yes.

THE COMMISSIONER: I think Mr. Clement at this point we will adjourn.

(The Hearing stood adjourned at
11:15 A.M. and reconvened at
11:30 A.M.)

3-B-1

A. J. Hooke - Clement Ex.

Q Mr. Hooke, if I could just go back for a moment, you said you had been in correspondence -

A That's right, yes.

Q - about the purchase of this Capilano land, and you said something about inquiring as to whether your funds there could be used for that purpose; were there some regulations, money control regulations then which had to be considered?

A I wasn't aware of any actually, but I wanted to make sure that if there were that they were taken care of.

Q Yes?

A That the transaction was completely regular and legal.

Q And did you leave that with the Cranstoun interests to look into?

A With Major Lockhart.

Q Yes?

A The man with whom I corresponded.

Q Yes?

A And certainly the bank over there, which was the Royal Bank.

Q Yes, they were, they understood the transaction, did they?

A Oh, yes, perfectly.

Q So that no difficulties arose?

A None whatever.

Q I see, from that source. Well then, Mr. Hooke, I gather that after you had come to agreement on the matter there was a fair amount of scuffling around to find out where the title was, and so on?

A It took a long time, Mr. Clement.

3-B-2

A. J. Hooke - Clement Ex.

Q Yes?

A I think it was 1950 when the proper legal description, as a matter of fact, was procured.

Q These people that you had some correspondence with, are they the people referred to in the exhibit put in in this case?

A Nay and James?

Q Yes?

A Yes.

Q I show you Exhibits 429 and 430, apparently these certificates of title to this Capilano property had been in the custody of Nay and James or they had found it at any rate?

A Yes.

Q So that from there on the conveyancing proceeded apparently rather leisurely until, with the assistance of local solicitors in Edmonton one way and another, title was made to you by this transfer, Exhibit 67?

A That is right.

Q Yes. Now, that Exhibit 67, sir, is dated March of 1953, and it appears that in and about that time you had discussions either with Mr. Sladden or a Mr. Maber for the disposal of some or all of this Capilano property?

A One day Mr. Maber phoned me and said he understood that I owned some property in Capilano.

Q Yes?

A I must repeat again that up until that time I had never seen the property.

Q Yes, as a matter of fact the title, the transfer, Exhibit 67

3-B-3

A. J. Hooke - Clement Ex.

Q (Cont.) I guess, hadn't been received by you either, or it may have, March of '53. Yes, proceed, I'm sorry to have interrupted?

A I explained what the circumstances were, that I did own a block containing thirty lots and four separate individual lots.

Q This was a subdivision, of course, that had been made at some anterior time, the land being in the Municipal District of Strathcona?

A Yes, many many years before apparently. And he wanted, as a matter of fact he made an offer to me of \$500.00 per lot.

Q I think the evidence is that that relates to four lots, not the block?

A No, the option was on the entire amount, but four lots they did buy.

Q Well now, I am not trying to confuse you Mr. Hooke. There is a document, Exhibit 94, which is in the nature of a receipt by you of the sum of, well, I thought it was about \$400.00, but I can't find the amount in this.

MR. GILL: I think it says four hundred and forty right in the body of the agreement, Mr. Clement.

MR. CLEMENT: Oh, yes, Exhibit 94 is a receipt by you of the sum of \$350.00 to X.L. Holdings Limited in respect of an agreement to sell Block 5, that is the one with the considerable number of lots?

A Thirty lots at the time.

Q And X.L. Holdings according to the evidence was a company

3-B-4

A. J. Hooke - Clement Ex.

Q (Cont.) in which the shares were held equally by Sladden and Maber. Exhibit 93 is a receipt given by you to Sladden for the sum of \$200.00 in respect of the purchase of Lots 9 and 10 in Block 8, and there is in evidence a document similar to Exhibit 93, given by Mr. Maber in respect of the other two lots.

MR. MAYNARD: 92.

Q MR. CLEMENT: That will be Exhibit 92. Now, Mr. Hooke, I don't know whether you have had an opportunity to refresh your memory on this matter. In the end result Block 5, the agreement respecting Block 5 was not proceeded with, it was Block 5 that ultimately you transferred to the City on an exchange of property up in the Bronx?

A Yes, that's right.

Q And the other four lots were the subject of, in fact they were, a sale was completed, two of them to Sladden and two of them to Maber?

A I believe that's right, I know the four of them went to those two men.

Q Now, would you give your recollection of the circumstances then, you started off dealing with Mr. Maber in respect of the total parcel, Block 5 and the four lots?

A Yes, entirely.

MR. MAYNARD: Mr. Commissioner, just before the witness answers this, there has been some confusion caused I think by Mr. Clement and the interjection made by Mr. Gill concerning Exhibit number 94, and the \$440.00 figure for the

3-B-5

A. J. Hooke - Clement Ex.

MR. MAYNARD: (Cont.) lot which appears in the body of the document.

MR. CLEMENT: No, no, I corrected it, three hundred and fifty.

MR. MAYNARD: The \$440.00 for each lot.

MR. CLEMENT: That's right.

MR. MAYNARD: Is an additional amount for each lot?

MR. CLEMENT: I pointed out to Mr. Hooke that the \$350.00 was a down payment.

MR. MAYNARD: Yes.

MR. CLEMENT: And we thrashed this around interminably with Mr. Sladden, I think we are all clear on it, Mr. Maynard.

MR. MAYNARD: Fine.

Q MR. CLEMENT: Now, would you proceed with the -

A As I recall -

Q - course of events?

A - the transaction, I was asked if I would accept \$500.00 per lot for -

Q Well, how did this talk of \$500.00 per lot arise, had there been some negotiations going on which affected the transaction?

A No, I don't think so, Mr. Clement; I recall well Mr. Maber phoning to me.

Q Yes?

A And asking questions concerning this property, and coming to my office and asking me if I would give them an option on the basis of \$500.00 per lot for the block and the four lots.

Q Oh, I see, all right. Go ahead?

3-B-6

A. J. Hooke - Clement Ex.

A I explained that I was quite prepared to do it, but I understood, I had understood that this entire area was undermined and that it would be impossible for them to develop it in any case. The explanation given to me by Mr. Maber was that they were interested in developing a housing project. He checked this out, evidently, and still maintained that what they would like to do is pick up the four, pay for them, and retain their option on the block; so that they paid me out for the four lots and continued to hold the option on the block.

Q I don't think that is quite what Mr. Sladden's recollection of the transaction was: were there no negotiations at this stage between you and the City, had the City not come to you?

A No.

Q Not at this stage?

A Not at this stage.

Q I see.

A No.

Q This happened later then?

A Yes.

Q Why did Mr. Maber want to continue holding what you call the option on Block 5?

A He simply wanted the first opportunity of purchasing it.

Q I see, and he in the meantime had satisfied himself that the undermining was not as bad as it might have been?

A He didn't think it would take as long to get to the place

3-B-7

A. J. Hooke - Clement Ex.

A (Cont.) where they could build as certainly I thought.

Q And was there any discussion between Mr. Maber and you or Mr. Sladden and you respecting building permits and the like, development permits for houses on this property?

A Oh, no, none whatever.

Q None with you at all, I see.

A No.

Q All right, so then the documents I put before you show that in respect of Block 5 the down payment is \$350.00, and the sum of \$440.00 for each lot as they took title from you?

A That is what that appears to say, yes.

Q And that all adjustments are to be made as of May 1st 1953 and possession May 1st 1953, so that this document must have been entered into on or earlier than May 1st 1953?

A I would think so.

Q Yes. Now, do you have any recollection of a period of time at which Exhibits 92 and 93 came to be signed, the only hint is that the payment for the lots concerned in each was to be all in cash on August 15th, 1953; how do you reconcile the dates there?

A As I recall this, this is the actual transaction that simply transferred the four lots.

Q Well, that led in and about that time to transfers of the four lots, in and about that time transfers of the four lots were executed, yes.

A Yes. As a matter of fact they wished to buy those four lots regardless of the fact that there was still some question

3-B-8

A. J. Hooke - Clement Ex.

A (Cont.) concerning the undermining, and as they explained it to me it was on account of the advantageous location that the lots had. I repeat again, I hadn't seen them myself.

Q Now, Mr. Hooke, let's go back: we have a document, Exhibit 94, which deals with Block 5 and which is of a forward looking nature in the sense that it could be drawn down some lots under, and that says nothing about the other four lots which are dealt with in Exhibits 93 and 92. Now, did I understand you to say that when Mr. Maber first spoke to you the whole of your holdings were under discussion, Block 5 and the four additional lots?

A Yes, the first discussion covered them all.

Q Then was there any agreement to purchase or give an option on the four separate lots at the time that Block 5 came under option?

A I believe so.

Q I see, so that in your recollection there could be a further document relating to the four lots?

A I don't have one in my possession, Mr. Clement.

Q I said in your recollection there should be, there was a similar deal for the four lots as there was for Block 5, one might expect it to be recorded in a document similar to 94, Exhibit 94?

A There could even be another one covering both the block and the four.

Q I see, but you don't have a particular recollection of it?

A No, I cannot say that I do.

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A. J. Hooke - Clement Ex.

Q In any event it appears that 92 and 93 reflect the transaction which was subsequent to that reflected in Exhibit 94?

A Yes.

Q We are interested, at least speaking for myself, Mr. Hooke, in the course followed in respect of Block 5; now, that remained, you say, under option, to use the word "option" in connection with Exhibit 92?

A Yes.

Q To X. L. Holdings Limited, and what was the ultimate disposition of that land then?

A The City of Edmonton ultimately took in an area in the northeast from Strathcona, annexed the area in which this land is situated. One day I received a telephone call from His Worship the Mayor, Mayor Hawrelak, in which he pointed out to me that the City had in fact now annexed Capilano. He said "There are many many privately owned lots out there. It is doubtful whether we are going to be able to service this area for some years. The undermining is still, or the caving in is still not complete. We would like to buy the property.". I explained at that time that it was under option already, and told the story as I have told you, that Maber had already bought four separate lots, and that Maber had the first opportunity of buying the block at approximately \$500.00 per lot. He said "Well, will you have a talk to Mr. Menzies, he is here with me and we are busy discussing this whole matter.", following which I had some discussion on the telephone at the same time with Mr. Menzies. Between

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A. J. Hooke - Clement Ex.

A (Cont.) the two of them, and I can't say for sure which one said what, I was led to believe that the City had picked up nearly all of the privately owned lots in there,

3-M-1

A. J. Hooke - Clement Ex.

A (Cont.) the reason that they were doing it was that they did not want people who owned these lots on their necks insisting that they service the area so that they could build homes; and I can well recall saying, "Well, as far as I am concerned, I wouldn't be on your neck in any case. If these people who have the option don't pick it up, then it can still sit there; I'm not concerned whether I dispose of it now or later or do something else with it perhaps later on."

I asked them what price lots were going at, lots which they had to pick up, and I was given the information that some of them were as low as \$25.00, some were as high as \$100.00, and in some cases an exchange had been offered and accepted; but they were very anxious to pick up the entire area of privately-owned land, so they could develop it at their leisure as they saw fit.

I then explained that from the standpoint of the option held by Mr. Maber I couldn't say -- I couldn't see why I should sell this land for anything like the figure they had been talking about. I felt that if the City was going to buy it, that certainly it should be somewhere in the same neighborhood as to what I already had an option for. A couple of days went by -- I should say, first of all, they said, "Well, we will look into this a little further and call you back." A couple of days later I received a call, and on this occasion both men spoke to me.

3-M-2

A. J. Hooke - Clement Ex.

A (Cont.) The first offer that was made was, as I recall, something over \$7,000.00 cash, and after some talking back and forth one or the other said, "Well, we think perhaps we could go to \$9,200.00, but that would be an absolute maximum for the block." So I said again, "Well, let's just forget about it. After all, these people have the option and I am not --- I'm not in any hurry to dispose of it, and until such time as they can use it they are in no hurry to pick it up, and that is satisfactory to me."

Again a few days went by, and I received a call, and this time I was talking mainly to Mr. Menzies. He told me that in the sketches that they were drawing up regarding the planning of the area it was quite -- they were quite sure that this block which I owned would result in a park -- it would be park land; so on that basis it was not worth what I was being offered for it by Maber; and seeing it was park land I would be in a position where I would have no opportunity but dealing with the City of Edmonton. I wasn't unhappy about it, Mr. Clement, because certainly I had tried to co-operate any time with the City of Edmonton, or any other body, for that matter; so I phoned to Mr. Maber and told Mr. Maber exactly what the situation was. I said, "The City of Edmonton wants this property for a park, and as far as I am concerned I feel that if that is so, that by all means they should have it for a park." Mr. Maber explained that they were not ready yet anyway to exercise an option, and if the land was not going to be

3-M-3

A. J. Hooke - Clement Ex.

A (Cont.) developed that fast, then they would be quite prepared to forget about it and let me deal with the City --- let the City take it.

So, some little time went on -- I can't recall just how much -- when I was contacted again and asked if I would -- if I had thought it over and would I be prepared to accept a cash offer, or would I be interested in making an exchange of property. They said, "As a matter of fact, we have made quite a number of exchanges with different people; we are prepared to make an exchange with you," and I said, "Well, yes, I would be quite prepared to do that. What have you in mind?"

Well, again there was some delay and a further call to me, and it was suggested that they had a tract of land close to the original lots that Ideal Homes leased from the City. They explained to me exactly where it was: west of the site this little company had been using, and south of the large elevator. They had a site there which would sell, very, very easily, for industrial purposes. They still valued the Capilano lots at a figure which meant that the difference between that valuation and the valuation they placed on their commercial property was about \$12,000.00.

Q Yes, that is in evidence, Mr. Hooke.

A They said, "We will make you a deal like that," and I said, "Well, I couldn't do that because -- you talk about \$12,000.00: I haven't got twelve thousand cents to put into something like this." The City said, "Well, we are having applications

3-M-4

A. J. Hooke - Clement Ex.

A (Cont.) every day for industrial land, and, as a matter of fact, there is a considerable amount of activity right in that area, so we will have no difficulty in sending to you someone, very shortly, who will take over the piece of property up there, pay us the \$12,000.00, and pay you out."

Q Yes; evidence has been given that Mr. Pat French was directed to you.

A That's right; "So it will be a simple matter for you to transfer your property to us that we may use for park purposes, and you will be able to realize the same amount of money that Terry Maber is offering to you."

Now, it was only a matter of days before Mr. French was sent down to see me. I received a phone call from Mr. Menzies telling me that a Mr. French, whom I had never met, was on the way down, and that he was interested in this industrial property near the large elevator, the Bronx, as it was called; and that he hoped, for my sake, for the City's sake, and for the sake of the company represented by Mr. French, that we could come to some sort of an agreement; and Mr. French was in my office in just a few minutes -- I think, as a matter of fact, he was there before the telephone call was completed --- and I can remember him saying to me: "I understand you own a piece of property in the Bronx, approximately five acres, thereabouts;" and I explained the whole thing to him in detail, exactly as I am explaining it to you, sir, and I said, "It is not my land; my land is a block of land in Capilano,

3-M-5

A. J. Hooke - Clement Ex.

A (Cont.) but this is an arrangement which the City of Edmonton is making with me, so that they secure the land which they want from me at the price they want to pay, and dispose of the land, the industrial land at the price of \$12,000.00 greater, in order to give me the price that I had this land optioned at in the first instance."

Q Yes, and then the transaction was completed with the assistance of Mr. Bryan as shown on the exhibits. Now, one other point, sir, perhaps you could deal with: in relation to time sequences the instrument of transfer by which you transferred lots 9 and 10 to Mr. Sladden for \$1,000.00, is dated July 3rd, 1953, and lots 9 and 10 are the ones referred to in Exhibit 93. Did I mention that this transfer is Exhibit 65?

A I don't think --- .

Q Now, there is an indication as I have pointed out to you that in Exhibit 93 the transaction was to be all cash in the amount of \$1,000.00, payable on or before August 15th, 1953, and that a similar provision was made in the agreement with Maber Exhibit 92, and Exhibit 66 is the transfer that you made to Maber of lots 29 and 30, and this is dated July 3rd, 1953, which is the same date as Exhibit 65. Now, in relation to these four exhibits, Mr. Hooke, do you recall an occasion in or around July of 1953 in which Maber and Sladden came to your home to discuss this general situation?

A When I read this in the transcript I did a lot of thinking back, because it seemed to me that it was done in the office --

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A. J. Hooke - Clement Ex.

A (Cont.) I couldn't recall that it was at home, but if they say it was at home, then, evidently it was.

Q I see, but you do recall at least a meeting with the two of them?

A Yes, I do, I do remember that Mr. Maber said he wanted to introduce me to the man who worked with him, to his partner. I had not met Mr. Sladden before to my knowledge.

Q Yes, and what was the purpose of that call on you, other than to introduce Mr. Sladden?

A Well, I would say that -- from looking at this record, it must have been that each was signing for the other, as a witness or something.

Q Well, no -- that isn't exactly what I had in mind. Mr. Sladden says that this meeting, which happened in or about July, resulted in effect in Exhibits 92 and 93, which, in their turn, resulted in Exhibits 65 and 66. There was a discussion there, and that they had, as I recall Mr. Sladden's testimony, a --- seeded block 5, at that time, in July of 1953, and were through with block 5 in 1953. That is not your recollection?

A Oh, no, not by any means were they through with it.

Q I see.

A No, they were not.

Q Very well.

A As I say, I --- all of my dealings were with Mr. Maber. I had known him for a number of years.

Q Very well. Now, the document Exhibit 64 is the transfer by

3-M-7

A. J. Hooke - Clement Ex.

Q (Cont.) you of block 5 to the City of Edmonton, dated May 28th, 1954, and that represents the culmination on your part of the negotiations for a trade of property that you have described. Well, that does -- you have made that transfer, did you not, Mr. Hooke? If you look at the face of it?

A I think Mr. Bryan on my behalf.

Q Oh, yes. Well, you identify that, then, as being made by Mr. Bryan as your attorney?

A May I ask you a question?

Q Well, yes, if I can answer it I will be glad to.

A Is there a document pertaining to this, other than the transfer?

Q Well, there is in evidence a power of attorney given to Mr. Bryan.

A And is there nothing else concerning a building commitment?

Q Oh, yes; in fact, that has relation to the Bronx property -- the evidence is Mr. Hooke, that the Bronx property was brought into the deal and transferred by the City to you upon a building commitment in the usual way -- .

A Yes.

Q -- that all properties are required. Mr. Hawrelak stated that in approving the exchange he endorsed on the official documents that there should be a building commitment, I think, of some \$80,000.00 in value.

A This document, as I see it now, is simply the transfer made on my behalf by Mr. Bryan.

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A. J. Hooke - Clement Ex.

Q Yes.

A To the City, of block 5.

Q That's exactly what I was asking you: this brought to a culmination -- .

A Yes.

Q -- on your part the land transferred, involved in this thing?

A That is right.

Q And this happened in something in the order of a year after the four exhibits as mentioned, 92, 93, and 65 and 66?

A Yes, I'm sorry I misunderstood you on those too, at first.

Q Could we now turn, Mr. Hooke, to Ideal Homes and some -- what might be called internal matters, relating to Ideal Homes, as defined from transactions between Ideal Homes and the City of Edmonton -- . Were you an original incorporator of that company?

A Yes, with Terry Spady.

Q Yes, and Terry Spady is related to you?

A My wife's brother.

Q Yes, and as I recall the document, this was incorporated in 1950?

A June of 1950.

Q 1950, and what was the intention as between you and Mr. Spady as to your interests in the company?

A As to -- ?

Q Your interests, your respective shareholdings?

A At that time we were thinking of a 50/50 interest.

Q Yes, and then was that carried out in the early stages?

3-M-9

A. J. Hooke - Clement Ex.

A Yes.

Q And what business did you have in mind that the company would carry on?

A Mainly at the time we were thinking of building houses in the conventional way, and also building prefabricated homes.

Q That is, for the Edmonton market?

A Yes.

Q And did the company engage in that business?

A Yes, we did.

Q How long did that aspect of its business carry on?

A Well, until around 1952, to the best of my recollection.

Q Well, it is in evidence, Mr. Hooke, that you had a lease from the City of Edmonton for premises occupied by Ideal Homes for the period 1950 to 1952, and that you let the lease go at the conclusion of its term. Now, --- and it appeared that after you let the lease go you moved out to some land on Wellington Crescent --- Wellington Park; is that correct?

A Yes -- the bare statement is correct, that's correct.

Q Well, I am not proposing to get into much more than a bare statement on these preliminary matters.

A Yes.

Q So then you say that in -- after 1952 Ideal Homes was not actively engaged in building houses?

A No, I would have to say not actively, Mr. Clement, although some, I think, which had been started, were completed.

Q I see; so it was a sort of run-off over a period of time?

A Yes, and if I may just add something here which perhaps would

3-M-10

A. J. Hooke - Clement Ex.

A (Cont.) help to give some information: that is that the building interests by this time had been taken over by a Mr. Royer, and he had -- .

Q How do you spell that name?

A R-o-y-e-r.

Q Yes?

A And he had taken over most of the lots that Ideal Homes had, and also had an agreement from us that we would not engage in competition with him, with the exception of prefabricated homes and finishing up the three or four that we had started.

Q I see, and this happened sometime in the year 1952 -- or was it later?

A Yes, I would say so, '52, but I can check closely and see.

Q All right. Now, the company then had been in business for nearly a year when Mr. Campbell became a part of the organization, had it?

A Yes, roughly speaking.

Q How did that come about, Mr. Hooke?

A Well, naturally I could not engage in the active day-to-day operations. I had some knowledge of building; Mr. Spady ^{been} had/engaged in other business prior to this time -- farming -- and general store business -- he knew a little about construction but not a great deal; and we discussed the possibility of bringing in someone knowledgeable in home construction. I don't recall how the first conversation came up pertaining to Mr. Campbell. I think I -- .

3-M-11

A. J. Hooke - Clement Ex.

Q At this time did you know Mr. Campbell, at this moment of time?

A Not very well. I knew of his activities. I did know him, yes, I had met him.

Q In what connection?

A He came to me one day, referred to me by another cabinet minister, pointed out that he was interested in, first of all, that he was a home builder, that he was interested in building homes in the Clover Bar area. The area mentioned to me specifically was the little hamlet of Clover Bar. The purpose which he had in mind -- .

Q If I could just put it on the record, Mr. Hooke: where is Clover Bar in relation to Edmonton?

A In relation to Edmonton? When one goes out through Beverly, over the Beverly bridge, about a half a mile straight east of the Beverly bridge is -- on highway 16.

THE COMMISSIONER: Mr. Hooke, being a Calgarian, I don't know where the Beverly bridge is.

MR. CLEMENT: Well, Beverly bridge, sir, I am sure better geographers than I am will correct me if I am wrong -- is practically an extension of 118th Avenue eastward. That means to say that Clover Bar is east of the City limits, and I think, directing your attention to this Exhibit 365, if I am not mistaken, the bridge is at this point, sir.

A Uh-huh.

Q So it will be a short distance eastward beyond the City limits.

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A. J. Hooke - Clement Ex.

A It's where the two roads meet, the east and west and the north and south.

Q Up here?

A That map -- highway 16, and highway 14X, I believe, meet there.

Q It's here, Mr. Commissioner -- .

A One goes north and south past the refinery.

THE COMMISSIONER: Just a general location -- .

Q MR. CLEMENT: That's what we want.

A Yes, I think so.

Q Was this before or after the incorporation of Ideal Homes?

A When he came to see me?

Q Well, yes -- you are talking about -- we are talking now about the circumstances under which you came to know of Mr. Campbell's existence, so to speak.

A To the best of my knowledge it would be after.

Q Yes. Now, -- carry on from there, please -- I was asking you how you came to know him -- to know of him, and then what led to his association with Ideal Homes.

A Well, after I got to know him -- I think it was I who introduced him to Mr. Spady, and they became familiar with the work of each other, at any rate, and I can recall being asked by Mr. Spady if I knew Mr. Campbell well enough to suggest perhaps he could come into the company, and I remember making some enquiries because actually I didn't know him well enough.

Q You just knew that he was interested in doing some

3-M-13

A. J. Hooke - Clement Ex.

Q (Cont.) development work in the Clover Bar -- ?

A Entirely on his own, yes.

Q Well then, the evidence is that it was sometime in or thereabouts of 1951 that Mr. Campbell did in fact join up with Ideal Homes?

A Yes.

Q Could you give us more specifically what led up to that? Would it be -- were agreements reached -- what agreements were reached before he became a shareholder?

A Well, Mr. Spady and I discussed the matter. We also discussed it with my brother who was a man knowledgeable in construction, and asked him if he would like to come in, too, and that we would set up a company consisting of the four of us, with the intention, then, of each one having a quarter-interest. This was done.

Q That is, Mr. Campbell and Mr. Spady and yourself and Mr. C. E. Hooke?

A Yes, Mr. C. E.

Q The brother?

A Yes.

Q And you have mentioned a one-quarter interest to each. Now, was this paid for in the way of land -- in the way of purchase of shares or what -- or merely a share allocation to show that the interests were such?

A Yes, I think the share allocations were to show that the interests were such, but with Mr. Campbell, at any rate, transferring to the company title, I believe, to his own home.

3-M-14

A. J. Hooke - Clement Ex.

Q Well, do you recall that transaction specifically, Mr. Hooke?
I think Mr. Campbell's evidence was that he was to buy shares at par, and transferred his house as security for payment.

A That could have been the mechanics.

Q Yes, and ultimately he got his house back at a later period of time. Do you have any recollection of that transaction?

A No, I don't. Ideal Homes had a rather rough passage -- .

Q Well, I don't want to get too far out of chronology of developments; let's come back -- .

A Yes.

Q --- then, to 1951. Did Mr. Campbell, when he joined Ideal Homes and became a shareholder, and so on, did he make any reservations as to how he could use his own time?

A Yes; anything he was doing on his own was his own.

3-P-1

A. J. Hooke - Clement Ex.

Q Well, was there any particular discussion as to what he would be doing? Did he mention to you that he was interested in developing townsites and was going to go off and do that on his own irrespective of the interests of Ideal Homes?

A All I knew at that time was that he was interested in building what he considered to be the number of houses required for an industry, he set the number at a hundred and set the place as the hamlet of Clover Bar but, that was entirely his own.

Q Oh, at Clover Bar, this is where it comes in again; so, he was reserving the right to act in his own interests ...

A Oh, very definitely.

Q ... separately from his duties and responsibilities to Ideal Homes?

A That is right.

Q And the profit and loss would be his own?

A His own.

Q This was clearly understood?

A Very definitely.

Q Yes. Well now, that association, from what you told me, the business activity of the company in relation to the main purpose that Mr. Campbell was brought into the company for was a little short lived was it not? He came in about June of 1951 and you sold out somewhere in 1952 or thereabouts, sold out that building interest?

A Yes. There is quite a history attached to this but, as a

3-P-2

A. J. Hooke - Clement Ex.

A (Cont.) result of certain things occurring which undoubtedly will come out during further discussion, it was obvious that the company would have to devote itself more to becoming a supplier of building supplies rather than as an actual builder of homes.

Q Well that brings us to the next subject then, the supply of materials to the Celanese plant which took place, as I recall the evidence, in the summer and fall of 1952. Am I right about that?

MR. GILL: '51.

Q MR. CLEMENT: I am sorry, I was one year out. Did you play any part in arrangements between the company and the Celanese plant or the contractors for the Celanese plant?

A No, none whatever, Mr. Clement.

Q None whatever, in the supply of materials?

A None whatever.

Q You had nothing to do with it?

A No.

Q Were you aware that material, particularly lumber was being supplied to the Celanese plant by Ideal Homes?

A I can remember being at a meeting one evening when the question was asked, are we, is this little company big enough to put in bids on any tenders that might be called for supplying lumber and the discussion hinged around what contacts did the company have, for instance, with what sort of suppliers did we have contact. By this time we had contacts for our own purposes, Mr. Spady and I with suppliers

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A. J. Hooke - Clement Ex.

A (Cont.) in British Columbia and Mr. Campbell through having had his own building experience mentioned others that he knew of and so it was simply more or less left that way. Well, if you think you are, go ahead but, I can't recall any company was specifically mentioned because in those days, one could read in the paper of tenders being called for supplying lumber to builders galore because Edmonton at that time, as you will recall sir, was really beginning to boom. Not only Edmonton but the whole of Alberta and I know that the company supplied lumber as far away as Lethbridge, Lloydminster, the Town of Peace River, always in response to newspaper advertisements and then making a bid on the lumber required.

Q Yes. Well, there are only two points left in this aspect of the matter Mr. Hooke that I want to ask you about. We had a Mr. Combs give some evidence before this Inquiry and he related that you and Mr. Spady came to see him and his operation at Rocky Rapids in 1951. Did you see Mr. Combs then?

A To the best of my knowledge Mr. Clement I have never, even to this day, been in Rocky Rapids. I know where it is but I can't recall ever having been there.

Q Yes, did you have any part in coming to an arrangement with Mr. Combs for using him as a supplier of lumber for Ideal Homes?

A No, none whatever.

Q Mr. Combs has gone further and stated that Ideal Homes ... Exhibit 233 please.... that Ideal Homes at the conclusion of

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A. J. Hooke - Clement Ex.

Q (Cont.) operations, conclusion of his association with Ideal Homes owed him a sum of money arising, as I understand it, out of some dispute on price. He claimed that there was \$3.00 a thousand owing to him for resawn lumber and that this amount, in respect to a certain number of thousands of feet remained unpaid to him over a period of time. Had you had any dealings with Mr. Combs about this prior to the date of Exhibit 233 if I can just get it roused out here?

MR. MAYNARD: It is a cheque.

Q MR. CLEMENT: Exhibit 233 is dated June 9th, 1955. Did you have any dealings with Mr. Combs about this account up to June of 1955?

A Mr. Clement, I had seen Mr. Combs but twice in my life when the incident to which you are referring occurred.

Q What is your understanding of the matter then, why did you come to make your personal cheque payable to Mr. Combs in June 9th, 1955 in the amount of \$278.00?

A Might I relate just a bit of history first?

Q Yes, I would like to have your explanation of this situation?

A I used to visit Ideal Homes yard once in a while on a Saturday afternoon. In those days we were occupied in the Legislature, in our offices until noon so, the only opportunity I had to ever go near the place was Saturday afternoon or occasionally on an evening.

On one specific Saturday afternoon, I am sorry, I cannot name it, when I was at the Ideal Homes yard a man came in and

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A. J. Hooke - Clement Ex.

A (Cont.) introduced himself as a Mr. Combs from Rocky Rapids. He said that he was a supplier of lumber, that he had a small sawmill out in that part of the country and he had a load of lumber at that time that he wished to sell. I do not recall whether this particular load of lumber was purchased from him or not but I do know that Mr. Campbell and Mr. Spady discussed things with him. I did not myself.

That was the first time I saw Mr. Combs.

Q Well now, just let me not get mixed up. This load of lumber you are talking about doesn't have any particular relation to this cheque?

A No, none whatever.

Q All right?

A Sometime later on a subsequent visit to the Ideal Homes yard I saw the man again and simply casually spoke to him.

Now we come to 1955 and I was getting ready one day to go out to my constituency to take part in the election campaign, the election was held in June of that year. I had been trying to get away because I had to meet a man in Lacombe by about twelve o'clock or twelve thirty and I had had various interruptions and had not been able to leave when about ten minutes to eleven came and I received a phone call from a man calling himself Combs.

I thought, when he gave me his name first of all that he was an old friend of mine in west Edmonton by the same name so I started speaking to him in a very friendly way, something to the effect 'Haven't heard from you in a long time, where

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A. J. Hooke - Clement Ex.

A (Cont.) have you been keeping yourself' and so on and suddenly realized it wasn't the same Combs at all. He says this is 'Ervin' I believe he called himself, 'Ervin Combs' and he said 'It is very urgent and important that I see you right now' so I said, 'What's it all about Mr. Combs?' 'Well I can't tell you on the phone, I want to see you at the office.' 'Well' I said, 'I am awfully sorry I have been doing my level best to get out of the office this morning I have to go out, I have to be in Rocky Mountain House this afternoon, I have to be in Lacombe to meet a man for lunch.' 'Oh' he said, 'Then you have to come by way of South Side?' I said 'Yes' and he said 'I am on the South Side right now, how would it be if I meet you' and I said 'All right I will be glad to do that' I said 'Where are you now?' He told me where he was and I said 'Well I will park my car just north of Whyte Avenue on 104th Street on my way out, I am driving such and such a car, my license number is so and so.'

When I arrived at that site he was there. Now, some three or four years, perhaps more had gone by, three or four anyway since I had seen the man and I can't say that I recognized him. However he came over and opened the door and got in the car and shook hands and said 'I am very pleased to see you again Mr. Hooke it has been a long time since I have seen you' and so on. So I said 'What is your problem that I can help you with?' and he said 'Well it's like this' he said 'This Ideal Homes that you are connected with owes me quite a bit of money' and he said 'I have to be paid.' I said

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A. J. Hooke - Clement Ex.

A (Cont.)

" (cont.) 'Do they owe you quite a bit of money?' and he said 'Yes, do you remember I supplied lumber to them?' and I said 'Well, why don't you get in touch with Ideal Homes?' well he said, 'I have been telephoning all morning, ever since I hit town and I can't get an answer at the office at all.' I can understand that perhaps he couldn't, the men might be out in the yard, may not be near the telephone, so I said 'How many times did you phone?' he said 'Well I just phoned now, just phoned around the corner at the drug store and came out and you were driving up.' 'Well,' I said 'Actually I have nothing whateveto do with Ideal Homes any more, I am not connected with them,' I said, 'If you phone this afternoon I am sure you will find someone there.'

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A. J. Hooke - Clement Ex.

A (Cont.) He said 'Well I have got to have some money before noon, I have got to have it right away.' 'Well' I said, 'It sounds pretty urgent.' He said 'Well it just is Mr. Hooke, you don't know the circumstances I am up against. I have been having tough luck galore.' and then he outlined to me the series of things that had occurred to him which he summed up as being tough luck. He had had a fire, for one thing I remember, he told me that his children were on the verge of starvation and that they were improperly clothed and that Ideal Homes owed him, I think it was two hundred fifty-eight or two hundred seventy-eight dollars. He said 'Could you possibly let me have this money?'

Well, he may have known by that time that I usually fall for a hard luck story, and I fell for this one like a ton of bricks. He said 'Could you let me have this money?' and 'Then get it back from Ideal Homes.' I said 'Well, all right, I will do that.' I said 'I can contact Ideal Homes in connection with it and will you please do so after lunch. You phone them after lunch and tell them I have paid whatever this bill is. Does this pay it in full?' 'Oh yes,' he said 'this pays it in full.' So, I took out my cheque book and wrote him out my personal cheque in the full amount. As soon as I gave him the cheque he folded it up and put it in his shirt pocket, then sat back towards the door of the car and he said 'It's a damn good thing you paid me this money.' I said 'What did you say?' He said, 'It's a damn good thing you paid me this money.' I said 'What are you talking about

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A. J. Hooke - Clement Ex.

A (Cont.) Mr. Combs?' 'Well', he said, I was just on the verge of giving a story to the newspaper and letting them know that a Cabinet Minister doesn't pay his bills.' I said, 'You give me back this cheque right at once' and I reached towards him and he said 'Oh Mr. Hooke, no, I am just fooling, I am just fooling, you know I wouldn't do a thing like that. No, no, no, that is what some of my friends have told me to do but I wouldn't think of doing such a thing. You don't know how much good you have done me.' He said 'My kids will now be able to get some clothes and able to get some food, no, don't do this Mr. Hooke, don't take it back.' So I said 'Well look, I tell you what I am going to do Mr. Combs, I don't like this sort of business, I am going to phone my banker immediately and tell him to stop payment on that cheque.' 'Please, please sir, don't do that, I am only fooling, please, I am only fooling.' And I said 'Well, okay we will forget about it, you phone Ideal Homes immediately and tell them that you have now received this cheque.' and I drove on because I was in a hurry. When I got to where I was going I phoned back immediately. Mr. Campbell answered the telephone and I said 'Don't you fellows answer the telephone in the forenoon any more?' He said 'Why, have you been trying to get in touch with us?' I said 'No, I haven't' I said 'Combs, Erwin Combs has been trying to get you all morning.' 'Well', he said, we have been here all forenoon, both Harry and I' Harry meaning Mr. Spady, and he said 'There has been one or the other in the building here

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A. J. Hooke - Clement Ex.

A (Cont.) all the time.' He said, 'What did he want?' and I said 'Well, he wanted the \$278.00 or whatever it is that you fellows owe him.' He said 'What is he talking about, we don't owe him any money. We have overpaid him as it is.' I said, 'Well, he gave me this hard luck story.' I said, 'I fell for it and gave him his money.' and he said 'Well we haven't heard from him for a long time.' but he said 'I will tell you what this is all about.' he said 'One evening late just as we were closing up this man drove up to the office with a load of lumber. It was dark, you couldn't even see what sort of lumber it was.' and he said 'Would you fellows like to buy a load of lumber, I have been peddling this around all afternoon and I don't want to take it back to Rocky Rapids.' and he said 'Having had our experiences with this man, having been sold on more than one occasion twelve foot two by fours when they were billed out as sixteen' he said 'we have had all of Combs that we wanted, so we told him we didn't want his lumber.' and he said 'Well, you have got lots of space here, do you mind if I dump it here because I don't want to take it back to Rocky Rapids, if you will let me unload it here I will pick it up at some future time.' So I said 'I guess we were even d.f's. to do that because we let him unload it.' and he said 'It is still here.' and he said 'Now a couple of times he has been in town he has phoned and said when are you fellows going to pay me for the lumber?' but he says 'For over a year now we haven't heard from him and we have told him to come and get his lumber and get it to heck out of here because we just do not want it, we didn't buy it

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A. J. Hooke - Clement Ex.

A (Cont.) in the first place.' so I said 'You have bought it now.' and he said 'Like fun we have, it looks as though you have bought it.' so, that is the way the matter rested.

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A. J. Hooke - Clement Ex.

Q MR. CLEMENT: Mr. Hooke, there has been put in evidence financial statements and I refer to the one draft statement for April 30th, 1955 and again for June, the working papers for June '55. May I have those please?

MR. GILL: Exhibit 252 Mr. Clement, statement of lumber delivered --

MR. CLEMENT: No, financial statement as of the end of June of 1955. I think that went in at an earlier stage and I think that is the reason ... Do you recall Mr. Maynard?

MR. GILL: 421 Mr. Clement, draft financial statement of Ideal Homes as of June 30th, 1955.

MR. CLEMENT: Yes, 421.

Q MR. CLEMENT: Now Mr. Hooke, there has been put in evidence financial statements and working papers and the like prepared by B. C. Tanner and Company, Exhibit 441 for the year ended April 30th, 1955 and another Exhibit 421 being a draft financial statement for the year, for a period as of June 30th, 1955. Did these accounts that are reflected in these two financial statements have, to your knowledge, any entry showing an indebtedness by Ideal Homes to Combs?

A Now Mr. Clement, in this case I must say I was never familiar with Ideal Homes books or anything of the nature and certainly I would not be able to say.

Q So all you know is what was told you by Mr. Spady that a load of lumber had been left there and you had been taken?

A That's right.

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A. J. Hooke - Clement Ex.

Q Yes all right. Now, I want to come back to these two Exhibits of Financial statements shortly Mr. Hooke but, there is one other statement that Mr. Combs asserted in his testimony and that is that you had in effect suggested that he might be interested in having some lots in the property which became known as Sherwood Park. This, so far as I can make out was at a time before you had even bought the southwest of 27. I would like to get it on record sir what your position is in respect to that statement?

A Well that statement is entirely incorrect Mr. Clement. As I said, I had only met the man on two occasions prior to this affair in 1955. No such thing ever occurred.

Q Very well. Now, the fiscal year end of Ideal Homes appears to have been April 30th, 1955 and there are these working papers from B. C. Tanner and Company from which apparently the usual financial statements were prepared although we don't have them in evidence. Then there is also this one of June 30th, 1955, an interim financial statement. Can you tell me what the circumstances were which led to the preparation of Exhibit 421, the June 30th one, why would there be a further taking off of figures two months after the annual audit?

A About the only thing I can think of Mr. Clement which may have prompted that was the fact that about this time we had been having extreme difficulty in connection with the site that we occupied and that we owned and it was becoming more evident ...

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A. J. Hooke - Clement Ex.

Q The site you occupied and owned, do you mean the Wellington.

A When I say we, I am mentioning Ideal Homes.

Q That is the one up in Wellington Park?

A Yes.

Q On 127th Street north?

A Yes.

Q 132nd Avenue as I recall it. You had been having extreme difficulties in what connection?

A Even in being able to operate from the site. We didn't know at what minute the City was going to say get off your own land. There is a long story attached to it.

Q Well Mr. Hooke, my immediate question was, do you have any clear recollection as to the purpose of the June 30th, 1955 statement?

A No I don't Mr. Clement, I am only guessing that perhaps had something to do with it. I have no clear recollection.

Q I see, very well. There was a payment, however, made by you to the Treasury Branch on June 8th, 1955 which is the day preceding Exhibit 233, payment made by you to the Treasury Branch in the sum of \$31,910.06 by cheque, made Exhibit 443. How did it come about sir that you gave or drew this cheque payable to the Treasury Branch and does it have any relation so far as you can recall to the preparation of financial statements at the end of June of 1955?

A Not that I know of. It seems to me that yesterday, did not the auditor say that the record of the cheque does not appear?

Q My recollection is ...

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A. J. Hooke - Clement Ex.

A I wonder if somebody could read that back?

Q ... is that the financial statements showed that that cheque was taken into account, the only discussion was, that I recall Mr. Hooke, was whether you got property transferred to you for it either in satisfaction of the same or as security for repayment of the sum?

A I recall that now Mr. Clement.

Q Yes, I am curious now why did you draw the cheque in the first instance, this cheque for thirty-one thousand odd?

A Well it was evident by this time that as a result of the difficulties the company had had that about the only alternative we had unless someone came to their aid was to go through bankruptcy proceedings.

So far as I was concerned, having been connected with the company from its inception though I had no part in it now as a part owner or anything ... should I start again and say, so far as I was concerned I did not want to see any company that I had had a part in going through bankruptcy proceedings. I think pride is one thing as much as anything else.

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A. J. Hooke - Clement Ex.

Q Just take this, take the moment of time immediately prior to June 8th: at that moment of time you were no longer a shareholder, and you had continued to be a Director though up to this time?

A Until January 1st of that same year, if I remember correctly.

Q Yes, and were you a creditor of Ideal Homes as, let us say as of the 1st of June 1955?

A I think the record showed that they owed me something like six thousand, six thousand eight hundred, or something like that.

Q Something in that order, and that is your recollection too of the amount that the company owed you?

A That's right.

Q And the only tag end on that, as I understand the evidence, Mr. Hooke, was that you had in 1953 sold your shares to Mr. Campbell on a basis that you would not expect payment unless the company pulled out -

A To the three.

Q - pulled out of its financial troubles?

A To the three other members.

Q Yes. Now, that represents the totality then of your interest in Ideal Homes financially say as at the beginning of June 1955?

A Yes.

Q But the company was being pressed, was it, the company was being pressed by its creditors?

A There were one or two things perhaps going on, Mr. Clement.

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A. J. Hooke - Clement Ex.

Q Well, Mr. Hooke - Perhaps we might break at this point, sir?

THE COMMISSIONER: Yes, I think it is a good point.

MR. CLEMENT: It is one o'clock.

THE COMMISSIONER: We will adjourn until tomorrow morning at nine o'clock.

(The Hearing stood adjourned
at 1:00 P.M.)

